FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,313 — Friday May 4 1984

U.S. primaries: Hart goes for the throat, Page 6

NEWS SUMMARY

GENERAL

Delors promises more austerity

French Finance Minister Jacques Delors yesterday ruled out a relaxation of the restrictive fiscal and monetary policies which are drawing fire from Socialist and Communist deputies.

The 1985 budget will be *far more* rigorous than that of 1984, he said, promising an even tighter squeeze on expenditure.

Public spending is planned to rise marginally this year, but the Government has already called for big cuts next year to make way for the promised tax reductions. Page 32

Danes dodge crisis

Denmark's opposition defused a potential crisis over relations with Nato by refraining from pressing a resolution that Denmark would never accept nuclear weapons on its territory. Page 2

Cyprus killing

Palestinian writer and publisher Hanna Meqbil was shot dead in Nicosia. The PLO Cyprus office blamed Zionists.

Death squad threat

The ESA, most prominent of El Salvador's death squads, threatened to fight the army if it tried to protect suspected communists from right-wing violence.

Argentina pay curbs

The Argentine Government has begun to curb wage rises and substantially cut subsidies to the public sector, paving the way for an agreement with the IMF. Page 6

University poll

Staff and students at Warsaw University defied the authorities by proposing Prof Klemens Szaniawski as candidate for rector. The election will test laws promising academic freedom. Page 3

Free skies move

The British Civil Aviation Authority, responsible for UK airlines' route licensing and fares policies, is to fight for more liberal policies by European governments.

Swapo peace bid

In a move seen as a peace gesture, Namibian authorities are to free 54 members of the Swapo guerrilla organisation.

Chinese change

Peking University students have tired of kung-fu films and prefer foreign films drawn from literature, or realistic depictions of Chinese life, a survey showed.

Delhi protesters held

Some 9,800 supporters of an Indian opposition alliance were arrested during a New Delhi protest against the Government's handling of the Punjab crisis.

Briefly . . .

Thieves stole stamps worth $130,000 from a Madrid stamp exhibition.

Pope John Paul, in Seoul prayed for reunification of North and South Korea.

House collapsed in Cairo, killing 17 and injuring 25.

Publisher's notice

A strike by IG Druck und Papier, the West German print union, prevented publication of yesterday's international edition of the Financial Times published in Frankfurt. The editorial content of today's issue is restricted by the union's continuing industrial action.

BUSINESS

Profit increase of 52% for SKF

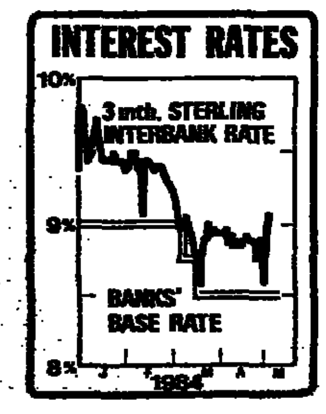
SKF, Swedish roller bearing and engineering group, said first-quarter profit rose for the first time in three years. Operating income was up 52 per cent at SKr 288m ($35.9m). The SKr 244m result before exchange items was more than double the SKr 103m in the preceding quarter. Page 33

LONDON: FT Industrial Ordinary index rose 3.4 to 922.8, another record. Report, Page 49; FT share information service, Pages 50–51

WALL STREET: Dow Jones index was 5.03 down at 1,181.53 at the close. Report, Page 45; Full share listings, Pages 46–48; Leading prices, other exchanges, Page 48

TOKYO markets were closed for Constitution Day.

THREE-MONTH sterling inter-bank rate close at 9⅛ per cent in London, a level which if sustained is expected to trigger a ¼-point rise in Barclays' base lending rate of 8¾ per cent.



DOLLAR fell in London in late trading, apparently for technical reasons. It was lower DM 2.713 (DM 2.729), FFr 8.3275 (FFr 8.3775), SwFr 2.246 (SwFr 2.249) and Y226.6 (Y227.1). Its trade weighting was 129.8 (130.1). In New York it was DM 2.702, SwFr 2.2360, FFr 8.2925 and Y 226.05. Page 55

STERLING rose 1.15c in London to $1.41 and was up at DM 3.8275 (DM 3.82), FFr 11.74 (FFr 11.715), Y319.75 (Y317.75) and SwFr 3.17 (SwFr 3.1475). Its trade weighting was 80.1 (80.0). In New York it was $ 1.4190. Page 55

GOLD rose $1.5 in London to $378.25. In Frankfurt and Zurich it rose $1 to 378.5. Page 54

BAYER, West German chemical concern, is following Hoechst and BASF in lifting its dividend to DM 7 per DM 50 share, after last year's big profit rise.

GENERAL DYNAMICS, biggest U.S. defence contractor, said first-quarter net earnings rose 36.4 per cent to $77.5m.

OCCIDENTAL Petroleum, last U.S. oil major to report first-quarter results, said net income jumped more than fivefold to $92.7m. Page 33

PARIBAS, French state-owned financial group, is to take complete control of New York investment banking firm A.G. Becker, in which it already has a 55 per cent stake. Page 32

THOMSON, nationalised French electronics group, expects another gross loss this year after alst year's FFr 1.2 to FFr 1.3bn ($156m) net loss. Page 33

ITALY'S Government said it would do all it could to see that control of electrical products maker Zanussi stayed in Italian hands. Page 3

CHILE: Francisco Ibanez was named central bank president, a post vacant since last week's economic team reshuffle.

NORWAY'S central bank urged the Finance Ministry to abolish many curbs on financial institutions and use indirect means to regulate domestic liquidity instead. Page 3

Record buyout bid values Esmark at more than $2bn

BY TERRY DODSWORTH AND PAUL TAYLOR IN NEW YORK

The New York investment group, Kohlberg, Kravis, Roberts, yesterday mounted the largest leveraged buyout offer so far attempted in the U.S. with a $2.29bn cash bid for Esmark, the Chicago-based foods, consumer and industrial products group.

The move caps mounting speculation that Esmark might be taken private by its chairman, Mr Donald Kelly. Last year, Mr Kelly sprang to prominence when he thwarted a similar buyout attempt at Norton Simon, the New York-based conglomerate.

Esmark emerged victorious from a lengthy takeover battle with a successful $1bn bid which doubled the size of the group.

Under a leverage offer, senior management is typically given a significant equity stake in the newly organised company, which is largely financed by debt.

KKR is generally regarded as the leading specialist in this technique and was brought together a substantial pool of investment funds lent by institutions based in both the U.S. and the UK.

The KKR bid came yesterday after Esmark shares were suspended on the New York Stock Exchange at $45⅝ and the company issued a brief statement saying that it was "considering a number of major transactions including an offer for the company."

A few hours later, KKR offered $55 a share for the company – compared with the company's book value of $26 a share and well above the group's 12-month share-trading value of between $31¼ and $46.

Despite the apparent premium, Esmark's shares were being priced at between $55 and $58 in the wake of the bid, leading some Wall Street analysts to suggest that the bid price might be pushed still higher.

The Esmark leveraged buyout proposal easily tops the previous largest leveraged buyout proposal – the planned $1.4bn managementled buyout of Metromedia.

In its last full fiscal year to October, Esmark earned $117.3m on sales of $4bn.

However those figures only included four months of earnings and sales from Norton Simon which Esmark acquired in July last year, and analysts are expecting a sharp improvement in financial performance in the current year.

In its fiscal first quarter ending January 28, Esmark reported net earnings of $43m on sales of $1.2bn, compared to net earnings of $14bn on revenues of $678m in the same period last year.

Since its acquisition of Norton Simon, Esmark has been trying to reduce its massive debt burden taken on to finance the deal. Since the acquisition, Esmark has issued about 12m shares to repay about $417m in debt

Among these disposals, Esmark has sold McCall's Patterns Company to a group which includes senior managers. It is negotiating to sell its Estech fertiliser subsidiary and *it agreed last month to sell its Somerset importers' subsidiary* – which imports Johnnie Walker whisky – to Distillers of the UK for $350m in cash.

U.S. rules out penalties on East bloc dumping

BY STEWART FLEMING IN WASHINGTON

THE U.S. Commerce Department has ruled that domestic companies *cannot ask for penalties to be applied* under unfair trading laws against exporters from the Eastern bloc and other centrally planned economies.

The decision was announced as part of the Commerce Department's final ruling in a case brought by several U.S. steel companies, which led to an investigation of wire rod imports from Poland and Czechoslovakia.

The Commerce Department said that the Reagan Administration strongly supported legislation to strengthen the anti-dumping and countervailing duty laws to establish a new and alternative remedy such as an "artificial pricing" standard for U.S. industries faced with unfair competition from non-market economies.

It added that the Cabinet Council on Commerce and Trade is preparing more specific guidance to Congress on the shape of possible legislation.

The Commerce Department said that the subsidies (which formed the basis of the U.S. steel companies' complaints) are actions that distort allocation of resources by market forces of supply and demand. But since Czechoslovakia and Poland are non-market economies lacking market forces, the Commerce Department concluded that the subsidy law cannot be applied to them.

These are the first cases involving non-market economies in which the Commerce Department has reached a final determination under the countervailing duty law which dates back to 1980. A case against Chinese textile imports, which had threatened to disturb U.S.-Chinese diplomatic relations as well as trade relations when the Chinese indicated that they might retaliate against U.S. farm products, was withdrawn before a final decision

The department made it clear, however, that in the case of Poland its investigation found that exporters were dumping wire rod at less than fair value in the U.S. market. Thus, although no countervailing duties can be applied under the subsidy investigation, U.S. importers will, in the case of Poland, be required to pay dumping duties on Polish wire rod imports.

AP added that the report said a preliminary ruling had established that Polish steel *was being sold at* a dumping margin of 56.7 per cent. Importers of such products will have to post bond equal to that amount pending further rulings on whether to impose actual duties.

The report said: "This shows how effective the dumping law can be at protecting U.S. companies from unfairly traded imports from non-market economies."

Ambrosiano sells controlling stake in Credito Varesino

BY ALAN FRIEDMAN IN MILAN

NUOVO BANCO Ambrosiano group, the successor bank to the late Sig Roberto Calvi's failed bank has sold its controlling stake in Credito Varesino, a private Lombardy regional bank, for about L220bn ($130m). The buyer is Banca Popolare di Bergamo, a private co-operative bank which is based in Northern Lombardy, in the foothills of the Alps.

The sale of Credito Varesino was announced yesterday by Professor Piero Schlesinger, chairman of La Centrale, the Nuovo Ambrosiano financial holding subsidiary which held a 48 per cent stake in Varesino. *La Centrale has been extremely* eager to raise some cash in order to wipe out more than L150bn of debts stemming from the days when it was controlled by the late Sig Calvi.

Prof Schlesinger said yesterday that in addition to four Italian banks which made offers for Varesino Chase Manhattan and Citibank of the U.S. had made serious offers. The Chase offer lapsed when top executives in New York decided the price was too high and the Citibank *offer failed because Citibank* required too much time to deliberate the deal.

Credito Varesino's share price on the Milan Bourse last night was L5,485 – down L14 on the day. Banca Popolare di Bergamo is believed to be paying about L7,500 a share for its controlling stake in Varesino suggesting a premium over market value of about $34.

Prof Schlesinger yesterday said that discussions on the sale of Varesino which has 60 branches, touched on the bank's L90bn of deposits in South American companies which formed part of Sig Calvi's overseas empire. But he would not comment beyond this, saying the matter is "juridical and very delicate."

The sale of Varesino still awaits the formal approval of the Bank of Italy. Banca Popolare di Bergamo, which last year made a net profit of L47bn, has 119 branches and employs 2,511 *staff. Its balance sheet* totals L5,264bn.

● Istituto Bancario San Paolo di Torino, Italy's fourth largest bank, last year recorded a 12.2 per cent rise in net profits, to L103bn ($61.3m). The bank said yesterday that it had reached the net income level after setting aside L108bn in loan loss provisions. San Paolo, one of the few Italian banks to make such information available, said its 1983 loan loss provisions were eight per cent higher than in 1982.

The Turin-based bank's deposit base rose by 18.2 per cent last year, to a total of L33.741bn. The loan book of the bank was 20.2 per cent higher at L16.511bn at year-end. Istituto Bancario San Paolo di Torino has 360 branches in Italy and employs a staff of 11,559.

European concern over U.S. current deficit

By David Marsh in Paris

EUROPEAN MONETARY officials remain fundamentally worried about the massive and growing U.S. current account deficit despite optimistic American statements on the U.S. growth and inflation outlook at this week's international economic meetings in Paris.

One senior European official who attended the two days of talks at the Organisation for Economic Co-operation and Development (OECD), said "lingering concern" remained that the strong dollar could be heading for a sharp fall because of the mounting U.S. current account imbalance.

Another international monetary official said the U.S. current account deficit – estimated at more than $80bn for 1984 – was "unsustainable" and would produce "some very nasty things."

Immediate doubts over the dollar were not generally voiced at the meeting, which grouped treasury and central bank officials from the OECD's economic policy committee. This was mainly because expectations earlier this year of a speedy short-term decline of the U.S. currency from its present over-valued levels had been diminishing.

Mr Martin Feldstein, chairman of President Reagan's council of economic advisors and of the OECD meeting, took an optimistic line on the administration's plans to cut the U.S. budget deficit – currently close to $200bn a year – through a series of staggered, cumulative reductions to be presented to Congress.

However, delegates to the meeting, which ended yesterday, generally shared the scepticism of the international financial markets over whether the initial cuts would be deep enough to produce significant falls in U.S. interest rates. The firmness of American interest rates *– which has been a fundamental* reason for the dollar's strengthening on world currency markets this week – is seen as lending the dollar continued strength in the short term.

However, doubts are increasing over the longer term. One international central banker, a veteran of OECD committee meetings, admitted yesterday that burgeoning U.S. import demand did have positive effects on world growth.

He said it was "shortsighted," however, to concentrate attention on this. "People forget about the protectionist pressure building up in the U.S. – this will have a back-

Continued on Page 32

Paris bar to foreign role in cable market

BY PAUL BETTS IN PARIS

THE FRENCH Government has no intention at this stage of allowing foreign communications equipment manufacturers to capture a share in the country's cable television industry.

M Louis Mexandeau, the French Post and Telecommunications (PTT) Minister, said openings for foreign companies on the emerging French cable television market would depend on the outcome of broader discussions between European governments to similarly open their respective telecommunications markets.

The PTT Minister was speaking after a Cabinet meeting yesterday which approved regulations for the introduction of cable television. M Mexandeau warned that the new cable market could only be opened to foreign equipment makers on the basis of a broad European collaboration in the telecommunications in*dustry. He said efforts to achieve* such collaboration were being undertaken, but without reciprocal agreements, France "will construct its cable networks on its own."

The ministry would initially invest FFr 1bn ($119.4m) in cable, M Mexandeau said. He confirmed that two optical fibre contracts to wire-up 160,000 homes in each case had been awarded to a joint venture between the two French groups Velec and CGCT and another to LTT, a subsidiary of the Cit-Alcatel state-controlled telecommunications concern.

After yesterday's Cabinet decision, M Mexandeau claimed that France would now be among the front-runners in Europe in developing a cable TV network. He said the Cabinet had approved the PTT's choice of optical fibres rather than the less-advanced, but less-costly, coaxial copper wiring. The PTT will be responsible for constructing the networks and will retain ownership of the cables.

The local cable networks will be operated by mixed economy groups, associating local authorities with other public and private interests, but the PTT will have to foot the major part of the initial investments.

France's heavy public investment in cable TV systems contrasts with British plans which will rely almost entirely on private finance to develop the industry. Moreover, although the UK Government is keen to encourage the use of the latest technology, it is not insisting that cable systems be built with optical fibres.

M Mexandeau said France had a *domestic optical fibre production* capacity to connect up to 200,000 homes a year, and that this could rise to about 400,000 homes by the end of the year.

Continued on Page 32

Protest at Atlantic satellite venture

BY NANCY DUNNE IN WASHINGTON AND PAUL TAYLOR IN NEW YORK

THE U.S. is expected soon to approve limited competition in transatlantic satellite communications in spite of protests from many other countries.

The areas likely to be opened to competition include large companies' internal telephone and data communications, video-conferencing services and the distribution of television programmes to cable networks.

The U.S. proposals specifically exclude, for the moment, public switched telephone calls, which account for about 85 per cent of transatlantic satellite communications. Companies would be allowed to operate their own communications networks by leasing satellite capacity but would be prohibited from selling circuits to outside customers.

All transatlantic satellite communications are at present controlled by Intelsat, the international, government-owned satellite organisation, and are handled at the U.S. end by Comsat, a U.S. commercial company *which is* protected by an official monopoly.

However, four U.S. companies – Orion Satellite, International Systems, RCA and Cygnus – are seeking permission to launch transat*lantic satellites of their own*, on which they would lease capacity to customers in competition with Intelsat.

A U.S. inter-agency group which

Continued on Page 32

CONTENTS

Europe 2, 3
Companies 33
America 6
Companies 33
Overseas 4
Companies 34, 35
World Trade 5
Britain 7, 8, 11, 13, 14
Companies 36–40
Agriculture 54
Arts – Reviews 29
– World Guide 29
Commodities 54
Crossword 32
Currencies 55
Editorial comment 30
Eurobonds 56
Euro-options 49
Financial Futures 55
Gold 54
Int. Capital Markets 56
Letters 31
Lex 32
Lombard 6
Management 15
Market Monitors 45
Men and Matters 30
Mining 39
Money Markets 55
Property 41
Raw materials 54
Stock markets – Bourses 45, 48
– Wall St .. 45–48, 56
– London .. 45, 49–51
Technology 43
Unit Trusts 52, 53
Weather 32

Israel: *tit-for-tat terrorism* surfaces 4
U.S.: why car makers are losing friends 5
Debt crisis: IMF and a matter of interest 6
Texas primaries: Hart's last stand? 6
France: Pechiney responds to strong medicine 15
Editorial comment: *defence* spending; health 30
Britain: changing face of retailing 30
Northern Ireland: a door may be open 31
Lex: the new options and *futures; BP* 32
Purpose-built vehicles: Survey 25–28

Notice of Redemption

Philip Morris International Capital N.V.

8½% Guaranteed Sinking Fund Debentures Due 1986

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of June 1, 1971, under which the above designated Debentures were issued, Citibank, N.A. (formerly First National City Bank), as Trustee, has selected for redemption through the operation of the Sinking Fund, on June 1, 1984 (the "redemption date") at 100% of the principal amount thereof (the "redemption price"), together with accrued interest to the redemption date, $1,000,000 principal amount of said Debentures bearing the following distinctive numbers:

$1000 COUPON DEBENTURES BEARING THE PREFIX LETTER M

3	2724	5719	6305	7025	7182	7718	8529	9733	10351	11005	11413	11778	12300	12805	14288
4	2725	5721	6309	7027	7186	7719	8531	9734	10352	11007	11416	11897	12302	12806	14289
46	2726	5733	6311	7029	7187	7720	8533	9747	10353	11008	11419	11900	12303	12808	14291
52	2727	5738	6312	7035	7188	7724	8534	9751	10354	11010	11420	11905	12307	12809	14293
102	2728	5739	6315	7036	7190	7729	8537	9753	10355	11012	11426	11986	12308	12810	14294
104	2729	5789	6316	7037	7192	7734	8538	9756	10358	11013	11427	11987	12309	12811	14295
110	2730	5790	6322	7038	7193	7736	8539	9757	10381	11018	11430	11994	12310	12812	14296
239	2737	5791	6323	7040	7194	7738	8540	9766	10382	11019	11431	12033	12311	12813	14477
293	2738	5954	6327	7055	7195	7749	8541	9767	10383	11021	11433	12034	12312	12814	14591
294	2739	5959	6324	7056	7199	7750	8544	9771	10631	11025	11434	12036	12313	12817	14592
296	2740	5974	6329	7057	7200	7751	8549	9774	10632	11026	11435	12037	12314	12832	14595
297	2741	5975	6332	7061	7201	7752	8551	9775	10633	11027	11438	12040	12315	12833	14599
298	2743	5976	6421	7064	7203	7760	8558	9776	10645	11028	11440	12051	12317	12834	14600
310	2769	5977	6422	7067	7206	7763	8559	9794	10647	11037	11444	12052	12319	12836	14601
372	2790	5979	6423	7072	7201	7765	8568	9795	10648	11041	11450	12053	12320	12846	14602
374	2792	6017	6427	7073	7205	7822	8570	9796	10657	11048	11451	12054	12321	12847	14603
[illegible]															
2665	4553	6252	6987	7149	7647	8481	9669	10177	10877	11315	11544	12164	12763	13904	14749
2685	4554	6254	6989	7150	7651	8482	9682	10178	10880	11317	11546	12165	12771	13908	14750
2686	4556	6255	6991	7151	7652	8483	9684	10179	10930	11318	11549	12167	12772	13909	14756
2687	5146	6256	6994	7152	7657	8486	9685	10180	10931	11320	11647	12170	12773	13910	14759
2690	5147	6257	6995	7154	7663	8488	9707	10181	10932	11325	11648	12177	12779	13929	14760
2691	5149	6258	6998	7155	7667	8489	9708	10256	10989	11328	11651	12277	12781	13930	14763
2695	5317	6261	6999	7157	7668	8490	9710	10320	10993	11334	11652	12278	12784	13932	14764
2698	5632	6262	7000	7158	7669	8493	9716	10321	10994	11337	11653	12279	12785	13933	14769
2707	5633	6265	7001	7161	7670	8494	9718	10323	10995	11338	11658	12282	12786	13966	
2711	5657	6288	7002	7164	7671	8495	9720	10324	10997	11342	11764	12287	12787	14110	
2712	5664	6294	7003	7165	7672	8496	9724	10325	10999	11344	11767	12288	12788	14111	
2713	5711	6295	7016	7169	7674	8503	9725	10326	11000	11349	11769	12289	12789	14112	
2714	5712	6296	7018	7170	7683	8505	9726	10327	11001	11391	11770	12291	12790	14278	
2716	5714	6297	7019	7172	7710	8516	9727	10328	11002	11394	11771	12292	12791	14279	
2719	5715	6298	7021	7173	7714	8520	9729	10329	11003	11399	11773	12296	12792	14280	
2721	5718	6302	7024	7176	7716	8528	9732	10330	11004	11402	11776	12297	12803	14287	

The Debentures specified above are to be redeemed for the said Sinking Fund at the option of the holder (a) at the **Receive and Deliver Window-5th Floor of the Trustee, No. 111 Wall Street, in the Borough of Manhattan, The City of New York**, or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt/Main, London (Citibank House), Milan, Paris, Brussels and Citibank (Luxembourg) S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City on the redemption date, at the redemption price together with accrued interest to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue, and, upon presentation and surrender of the said Debentures with all coupons appertaining thereto maturing after the redemption date, payment will be made at the redemption price out of funds to be deposited with the Trustee.

Coupons due June 1, 1984 should be detached and presented for payment in the usual manner.

PHILIP MORRIS INTERNATIONAL CAPITAL N.V.
By: Citibank, N.A.,
as Trustee.

April 26, 1984

EUROPEAN NEWS

Nato to back high-tech weapons

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

NATO DEFENCE ministers are shortly expected to endorse the development of 11 major high-technology weapons systems for deployment with Alliance forces from 1990.

The ministers are due to adopt the new "emerging technology" or "ET" programme when they meet in Brussels for their annual spring Defence Planning Council in 10 days' time.

The 11 weapons projects have been identified in recent studies by Nato's national armament directors (see readthrough).

If the defence ministers do adopt the new programme, it will represent a major step forward for the U.S. initiative, begun two years ago, to update Nato's conventional forces with weapons employing the very latest technology.

The "ET" drive, initiated at the 1982 Nato summit, was formally launched in December 1982 with the submission by Mr Caspar Weinberger, the U.S. Defence Secretary, of detailed papers covering the use of "ET" weapons on the central European front. U.S. Papers on the northern and southern flanks and maritime areas followed.

The initiative has aroused *great controversy within Nato*, where many of its European members greeted it with suspicion, seeing it as an attempt by U.S. industry to sell yet more equipment to its allies.

Many European military officers opposed it because they believed concepts for the effective use of "ET" weapons on the battlefield had not been worked out. Studies are still going on in Nato's Military Committee and the Shape military headquarters on such future deployment.

European Nato officials were keen to point out yesterday that the 11 projects refer only to the central region of Nato. Many involve technologies being developed by European industry but they are apparently regarded by European governments as only a preliminary "ET" programme.

Last month, the Independent European Programme Group (IEPG) which groups all the full European members of Nato plus France, drew up a list of nearly 200 European developed or planned weapons systems which are said to involve "ET."

IEPG put the list forward for negotiation with the U.S. for inclusion in the overall Nato "ET" programme. Officials said yesterday that the list will now be discussed by Nato's national armament directors.

Officials are not yet prepared to cost the new "ET" programme, although they point out that each of the 11 projects is in some form or another already in the budget of one or more Nato countries.

They acknowledge, however, that to get seven of the 11 operational by 1990 will need extra resources from defence budgets which in European countries at least are already severely strained.

It is claimed that "ET" would revolutionise warfare in the next decade, making it possible to raise the threshold at which Nato would use nuclear weapons in a future European war.

"ET" principally involves new "stand-off" weapons, and new techniques of surveillance, targeting and communications which could allow Nato forces to hit much further (30 km-300 km) behind the front lines than at present.

Editorial comment, Page 38

Nato Defence Ministers are expected to adopt 11 major new high technology weapons projects at their meeting in Brussels on May 16.

They are:

- Artillery locating system.
- Automated 155mm precision-guided munitions.
- Battlefield target acquisition system.
- "Friend or foe" identification system for Nato aircraft.
- Electronic support mission (ESM) for passive detection of enemy aircraft and vehicles.
- Electronic jamming system for tactical aircraft.
- Low-cost submunitions dispenser for fixed targets.
- Multi-launch rocket system (MLRS) with precision-ing active and passive electronic units.
- Stand-off surveillance and acquisition system.
- Short-range anti-radiation missile.
- Self-protection system for battlefield helicopters, includ-

W. German union ballots for strike over hours

By James Buchan in Bonn

IG METALL, the West German engineering union, yesterday began balloting its members in north Baden-Wuerttemberg to secure approval for a strike in support of a reduction in the working week.

Union officials yesterday claimed a good turn-out in the motor vehicle and engineering plants in the region, which was the scene of a major strike in 1978. The ballot continues today and returns will not be counted before this evening.

However, IG Metall repeated yesterday that it was confident that the required 75 per cent of the 240,000 members to be balloted would approve a strike for a 35-hour week.

A second ballot will be conducted in the Frankfurt area on Tuesday and Wednesday of next week.

IG Metall's comrades-in-arms, the IG Druck printers union, yesterday staged widespread one-hour strikes to put into practice what it calls the "seven-hour day."

However, most newspapers were expected to appear normally today after major disruption on Thursday kept around 20 newspapers off the streets.

At one newspaper in Offenbach at least six people were injured on Wednesday evening when a distribution van ran *into a group of pickets.*

Danish opposition defuses weapons crisis

BY HILARY BARNES IN COPENHAGEN

DENMARK'S Opposition Social Democratic Party defused a potential crisis over the country's relationship with Nato yesterday.

It refrained from pressing the Folketing (parliament) during a foreign affairs debate to declare that Denmark would never accept nuclear weapons on its territory whether in time of peace, tension or war.

A resolution along these lines would have clashed with Nato's doctrine of flexible response, which envisages the possible use of nuclear weapons.

According to Mr Hans Engell the Defence Minister, such a resolution could ultimately have led to Denmark's withdrawal from Nato's integrated military command.

Social Democratic leaders indicated last month that the party would take a tough non-nuclear line

But the party's pro-Nato moderates apparently succeeded in urging a more cautious line on Mr Anker Jorgensen the former Prime Minister and other party critics of present nuclear policy.

The party's resolution was carried with the votes of the Social Democrats, the Radicals and the Socialist People's Party, while the coalition parties (Conservatives, Liberals, Centre Democrats and Christians) abstained.

It called on the Government "to work towards" keeping Denmark free of nuclear weapons in time of peace, tension or war by furthering plans for a nuclear weapon free-zone in the Nordic area.

It sought this as part of a wider European concept and with guarantees from both superpowers. The voting was 73 for, 6 against, and 67 abstentions.

Greece repeats refusal to join exercises

BY ANDRIANA IERODIACONOU IN ATHENS

GREECE has once more told its Nato allies that it will not participate in Alliance exercises in the SE Mediterranean as long as the island of Limnos, whose *militarised* status is disputed by Turkey, is not included in the manoeuvres.

A spokesman for the Socialist government of Dr Andreas Papandreou announced in Athens on Wednesday night that because of the Limnos issue, the Greek navy and air force will not take part in Nato exercise Distant Hammer, to be held in the south-eastern Mediterranean from May 7-17.

Great Britain, the U.S., Canada, Italy, France and Turkey will be taking part in the exercise.

Dr Papandreou launched a policy of abstaining from Alliance exercises in protest over Limnos last autumn. Since then, Greece's role in Nato's army command structure has been ambiguous.

Greek troops do not take part in manoeuvres on the ground. But Greek military officials continue to attend committees, meetings, and exchange training programmes.

In announcing its decision to drop out of Distant Hammer this week, the Greek Government stopped short of carrying out a past threat to refuse the use of national sea and air space for future Nato exercises which excluded Limnos.

Industrial post for French union chief

By David Housego in Paris

THE FRENCH Government yesterday appointed a trade union leader to a newly-created post of "prefect" for industrial conversion in the depressed steel region of Lorraine.

The surprise appointment of M Jacques Chereque, number two in the pro-Socialist CFDT union, was announced by the Cabinet at its weekly meeting. The intention is to reassure local labour which has been antagonised by the recent announcement of fresh steel closures.

M Chereque, who is head of international relations at the CFDT, has been a steel worker in the region but has no business experience.

EUROPEAN NEWS

Brussels 1985 draft budget set to overspend by £1.2bn

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Commission is planning to add to the EEC's financial woes by proposing a draft 1985 budget for the Community which would spend around £1.2bn more than the estimated available revenues.

Quite how this deficit may be funded is not yet clear, although the Commission could well use the same device it is adopting for the 1984 budget deficit and appeal to member governments to make repayable loans to Brussels.

The Commission's view that the 1984-85 deficits are unavoidable tends to make nonsense of the existing legal limit on the EEC's budget revenues.

Until recently, it had been assumed that expenditure could not rise above the so-called 1 per cent VAT revenue ceiling which amounts to 25.34bn European Currency Units this year and an estimated ECU28.16bn next year.

However, the Commission takes the view that if member-states want the policy to end, then they must provide the financial means.

In other words, this year's anticipated deficit of ECU 2.33bn largely arises because the recent farm price and reform package fails to achieve the necessary economies to balance the budget. The Commission says that governments should accept the financial consequences.

Its approach to the 1985 financing problem will probably anger Britain and West Germany—the only two net contributors to the EEC budget—because it is not apparently based on the need to seek further stringent economies on farm spending.

However, the ECU 19bn the Commission is budgeting to spend on agriculture next year will be only a very modest ECU 500m or so above this year's expenditure. This, it will be argued, will be the first fruits of the reforms agreed at the end of March.

The draft budget totalling around ECU 28.2bn will be adopted by the Commission in two weeks and the uncertainty about its funding will be less immediately important than the absence of any decision to cover this year's deficit.

This cannot be taken before the Ten have settled the damaging row over how to put long-term curbs on the UK's payments to Brussels.

This issue is expected to dominate the lunchtime discussions today in Paris between Mrs Margaret Thatcher, the British Prime Minister, and President Mitterrand of France.

Having made conspicuous efforts to encourage a settlement at the Brussels summit in March, M Mitterrand's attitude is said to be hardening in favour of withdrawing the very real concessions offered at the summit and rejected as insufficient by Mrs Thatcher.

Unless the two leaders can find a basis for further negotiation by Foreign Ministers later this month, the problem will find its way to the next summit in Fontainebleau on June 25-26.

Community and India plan joint research programme

BRUSSELS — The European Community and India are expected to approve a joint research programme in science in the next few days, a European Commission spokesman said yesterday.

The spokesman expected an accord to be signed at a meeting of senior Commission and Indian Government officials in New Delhi tomorrow and on Monday. At the meeting, the officials will also review EEC-India trade and co-operation.

The EEC is India's main trading partner, accounting for about 27 per cent of the country's total trade. Europe's trade surplus with India fell to 1.29bn European Currency Units (£7.5m) in the first 10 months of 1983 from ECU 1.48bn in 1981.

The joint research programme would cover such areas as energy, tropical medicine, agriculture and environment, the spokesman added.

AP

Oslo urged to end most curbs on credit

By Fay Gjester in Oslo

NORWAY'S central bank has urged the Finance Ministry to abolish many of the restrictions still affecting the country's credit institutions, and to rely instead on indirect methods of regulating domestic liquidity.

Its advice comes as the Ministry is putting the finishing touches to a key economic policy and planning document — the revised national budget for the current year.

A government decision to follow some or all of the bank's recommendations could be announced when the revised budget is tabled on May 11.

The Bank of Norway letter to the Ministry says that regulation of lending by finance companies should end, and with it the curbs on bank guarantees of market loans.

Insurance companies should be granted a further reduction in their bond investment obligations—which requires them to invest, in low-yielding public sector bonds, a significant proportion of any increase in their assets.

This obligation was cut, effective January 1, from 40 to 30 per cent, for the insurance companies and from 15 per cent to zero for the banks, as part of a package of measures to liberalise the credit market. At the same time, direct regulations of bank lending was ended.

In its letter, the central bank points out that the January 1 concessions have not led to excessive growth in the overall liquidity supply.

Warsaw students challenge authorities

STUDENTS AND staff at Warsaw University in a move challenging the authorities, have put forward Prof Klemens Szaniawski as candidate for Rector, for a three-year term starting in the autumn, Christopher Bobinski reports from Warsaw.

In the solidarity period, Prof Szaniawski was the chairman of a now-banned cultural committee and has become something of a *bête noire* for the authorities.

The present elections are the first test of whether the authorities will abide by a liberal law passed in May 1982 giving universities greater freedom.

Irish publishers are annoyed at the competition from Fleet St, reports **Brendan Keenan**

Inexpensive, provocative, and on page three

THERE is an old newspaper saying that "dog does not eat dog." But Irish newspaper proprietors are fast coming to the view that they may not be able to keep up this gentlemanly convention where their British rivals are concerned.

Allegations of "dumping" have already been made against the Fleet Street national newspapers as Dublin dailies see the price gap between themselves and the UK papers widen.

The Irish publishers' main complaint is against their own government, however. Irish newspapers are subject to VAT of 23 per cent, compared with zero rating in the UK and a next highest European rate of 7 per cent.

British newspapers selling in the Irish Republic must pay Irish VAT, as well as converting to Irish currency, with the Irish pound currently valued at around 80p. Even so, there is a growing disparity between the cover prices of the Dublin papers and their Fleet Street rivals.

The Irish Times, the "heaviest" of the Irish newspapers, costs 45 Irish pence per copy. Of the other two Dublin dailies, the Irish Independent cost 40p and the Irish Press 30p.

By comparison, and still in Irish currency, the London Times can be bought for 40p, the Guardian for 30p and the Daily Telegraph, Daily Express and Daily Mail for 27p. The Daily Mirror, Daily Star and the Sun slug it out at 20p, well below the price of their popular Irish rivals. The Financial Times costs 60p.

Ireland is probably unique in having to face substantial competition from foreign newspapers. Fleet Street papers are reluctant to reveal their Irish circulation figures, perhaps because advertisers are not always interested in the Irish market, but the dailies sell well over 100,000 copies a day in the Republic and perhaps as many again in Northern Ireland.

This compares with sales of over 350,000 by the Dublin morning papers and another 250,000 by the two Dublin evening papers. (The Irish have one of the highest figures per capita for newspaper purchases in the world.)

But it will be difficult to make charges of dumping stick, because of the different approaches the Fleet Street papers take to pricing their Irish copies. The Times and Financial Times pass on not just Irish VAT and the currency surcharge, but some element of the costs of distribution. Papers like the Daily Telegraph and Daily Mail pass on VAT and the surcharge but absorb other costs, as they do in the UK.

Where the competition is keenest and Irish circulations largest, in the popular end of the market, the difference between British and Irish cover prices is narrowest. With UK prices of 17p for the Mirror and 16p for the Star and Sun, they

are hardly covering VAT and currency differences at a Dublin price of 20 Irish pence

A spokesman for the Mirror denied that there was any question of selling "loss leaders" in Ireland and, with Irish sales of over 100,000, it may be that the popular papers can claim to be recovering costs.

The circulation and profitability of Irish newspapers have been falling in recent years. Daily sales have fallen 9 per cent in the past two years, and a similar pattern is evident in Sunday circulation.

By contract, circulation figures for British newspapers are relatively unchanged, although there are individual battles. The Star has apparently eaten into the circulation of the Daily Mirror, which is now down to 51,000 copies a day in the republic, according to figures collected on behalf of the Irish industry. The most successful UK newspaper in Ireland appears to be the News of the World, which according to the survey has increased its sales from 130,000 to 155,000 in the past two years.

The main financial threat hangs over the Irish Press group, founded by the father figure of modern Irish politics, Eamon de Valera and still controlled by the De Valera family. The management has threatened to close the company if the unions do not agree to redundancies, pay restraint and the introduction of new technology.

Independent Newspapers, controlled by one of Ireland's leading businessmen, Dr Tony O'Reilly, reported profits of I£3m (£2,450,000) last year, mainly due to overseas interests. The Irish Times is controlled by a trust and is believed to be breaking even at present.

Rumours sweep Dublin periodically that the Government is about to relax the VAT rate, but they are dismissed by the Government. The Irish rate, while high by European standards is the same as that applying to most Irish industries and the Government is reluctant to make exceptions, despite the newspaper proprietors charge that it amounts to a "tax on knowledge."

The best the industry can hope for at present would seem to be an investigation into whether the London papers pass on their full Irish costs to their Irish readers.

Rome 'will try to keep Zanussi in Italian hands'

BY JAMES BUXTON IN ROME

THE ITALIAN Government will use all possible means to ensure that control of Zanussi, the country's leading home electrical products maker, remains in Italian hands.

Sig Renato Altissimo, the *Minister of Industry*, gave this commitment to political leaders from Friuli, the region of North-East Italy where Zanussi is based.

They are concerned about the negotiations in progress between the Zanussi family and Electrolux, the Swedish industrial group, over the sale of control of the company.

Sig Altissimo also told the political leaders that the conclusion of the negotiations "appears far away, as things stand."

The loss-making company, which is 90 per cent controlled by the Zanussi family, is in need of new capital which the Swedish concern is believed to be prepared to inject, in return for control of the company.

But politicians from Friuli and union leaders, are concerned that if control of Zanussi passes out of Italian hands, jobs would be in danger.

The region of Friuli had earlier decided to put L50bn (£22m) or more into Zanussi to boost its capital, currently standing at L80bn compared with sales of L1,550bn in 1982.

"The Government is committed to look for all possible business solutions which include technical and managerial guarantees for the productive development of Zanussi in order to keep control of the company in national hands," Sig Altissimo said.

Even so, the options available to the Government appear limited since Italian industrialists have so far shown little enthusiasm for advancing substantial funds to Zanussi.

The Zanussi family is believed in the past to have rejected the idea of selling control to a consortium made up of Italian banks, the Friuli regional government, and Electrolux, which would be in a minority position.

The view of the Swedish company is unclear, but it is thought unlikely to accept a role in which it did not have effective control of Zanussi.

Since the crisis at Zanussi became manifest last year, the company has sold off loss-making activities in peripheral fields and in consumer electronics, and agreed with the unions on a plan to cut the labour force.

Its core business, home electrical products, is now reasonably well, but shortage of capital is still chronic.

● Zanussi this week signed an agreement with China under which Chinese concerns will produce a range of Zanussi refrigerators under licence using parts and machinery supplied by the Italian company up to the value of more than $3m (£2.1m).

THE ITALIAN inflation rate last month dropped below 12 per cent for the first time since December 1978, but is still a long way from meeting the government's target of an average of 10 per cent for the whole of 1984.

Consumer prices last month rose by 0.7 per cent making an annual rate of 11.6 per cent.

Iran rejects Egyptian peace plan

By Richard Johns

IRAN IS understood to have rejected the latest peace initiative aimed at ending its war with Iraq amidst signs that it is about to launch a large-scale offensive which has been expected for the past six weeks.

Following elections to the Iranian Majlis tand the return of an overwhelmingly militant parliament, Ayatollah Khomeini's regime has spurned peace proposals made by President Hosni Mubarak of Egypt within the context of the Non-Alligned Movement, according to London-based diplomats.

Yesterday, Iranian forces were reported by informants in Iraq to have shelled their Iraqi opponents along the whole length o fthe front.

The Iranians are believed by Western intelligence agencies to have completed the complicated logistical arrangements required to mobilise an attack involving up to half a million men. It has been awaited since the onslaught against Iraqi lines in February by revolutionary guards.

Initially Mr Murbarak's plan involves a ceasefire, a pull-back of forces to positions held prior to the outbreak of war in September 1980 and positioning of a neutral observer force between them.

Yesterday Kuwati newepapers quoted Presdent Saddam Hussein as saying that Iraqi aircraft would attack Arab and other tankers lifting oil from Kharg Island, Iran's main terminal.

In doing so he indirectly acknowledeg that they had been responsible for the explosion and fire aboard the Safina al-Arab, the ultra large crude carrier owned by Swedish and Saudi interests.

Jerusalem bites the bullet and tackles its home-grown terrorists

BY DAVID LENNON IN TEL AVIV

ISRAEL, which has been combatting Palestinian terrorism for decades, has finally faced up to the distasteful task of confronting its home-grown Jewish underground, dedicated to terrorism against Arabs.

Jewish terrorism is not new. Before the state of Israel was formed in 1948 there were two terrorist organisations, one led by Mr Menahem Begin, the former Premier and the other by Mr Yitzhak Shamir, the present Prime Minister. But what was tolerated during the fight for independence is not necessarily accepted in today's Israel, which has its own Jewish Government and army dedicated to protecting its citizens.

The decision to arrest ultra-nationalist Jews, who have settled on the occupied West bank with the active encouragement of the ruling Likud government must have been a difficult one. Those who have been detained on suspicion of planting bombs on Arab buses in East Jerusalem last week are ideologically close to the Government. Most of them apparently belong to the Gush Emunim settlement movement, which has staunch supporters within the Cabinet.

The existence of Right-wing Jewish terrorist groups bent on retaliation for Palestinian terrorism has been known for some years. Their most spectacular action was the assassination attempt in 1980 against three prominent Palestinian West Bank mayors, two of whom were crippled by car bombs.

Little has been done by the authorities ta apprehend those responsible, a failure which has been rather striking considering how efficient the police and intelligence services are at

The arrest last week of those suspected of planting bombs on Arab buses marks a turning point in Israel's attitude to Jewish ultra nationalists

catching local Arab terrorists.

The discrimination in the authorities' attutude towards Arab and Jewish terror has disturbed many people in Israel, who put pressure on the Justice Ministry. A committee was set up under Mrs Yehudit Karp, a Deputy Attorney General, to investigate the way the security service and the police were dealing with Jewish vigilantes and terrorists on the West Bank.

Its highly critical report, presented to the Government in late 1982, was promptly pigeon-holed by the Cabinet, and it was only after Mrs Karp issued a public denunciation that the Government reluctantly released her findings early this year.

The report described the law enforcement practices in the occupied territories in cases where the victims were Palestinians, as "lackadaisical" and "ineffective." The committee also found that there had been political interference during the investigations.

Last year Mr Avraham Achituv, a former head of the Israel security service, popularly known as the Shin Beth, wrote an article critical of what he saw as the legitimisation which the Likud Government had afforded to Jewish law breakers on the West Bank.

There appear to be at least three distinct groups of Jewish terrorists who share a common belief in the inalienable right of the Jews to all of the Biblical land of Israel.

Those arrested in the past few days are believed to constitute the most professional, well trained and dangerous of all the groups. From the few details which have emerged so f-r they are mostly members of the Gush Emunim (Block of ... ...) settlement movement. This group forced Israel's Labour Governments between 1967 and 1977 to allow them to establish settlements in parts of the West Bank which had historical Jewish connections.

When the Right-wing Likud bloc came to power with its nationalist-religious coalition, it encouraged and fostered this settlement drive.

Mr Achituv said the settlements served "as a hothouse for the rise of terrorism." He added that "their political environment protects them without being aware of what is going on."

It is widely believed in Israel that Mr Achituv resigned because of political interference with attempts by the security services to arrest those believed responsible for the attacks on the West Bank mayors. Until Mr Begin resigned last autumn, little action had been taken, but in recent months, under the leadership of Mr Shamir, the Government has encouraged the police and security forces to crack down on all subversive groups, including Jewish ones.

Arrests have been made from among the xenophobic-religious Kach group lead by Rabbi Meir Kahane, a former American Rabbi who founded the Jewish Defence League *in the U.S.* before coming to Israel.

A second group was recently uncovered and arrested, after attempting to blow up the Mosque of Omar, the third holiest of Moslem shrines.

The Government appears to have finally recognised the threat which these groups pose to law and order. If the bombs placed on the Arab buses last Friday had not been defused, the casualties could have run into hundreds.

It is difficult at this stage to gauge what effect this will have on the Government's chances of winning re-election in July. No doubt many will have welcomed its courage in confronting this nasty issue, but some of its supporters may be *disenchanted by action against* people who are ardent nationalists at heart.

TWO former Jewish terrorists Mr Menahem Begin (top), the former Prime Minister, and Mr Yitzhak Shamir, the present Israeli leader

Israelis see little hope of early return of captives

BY DAVID LENNON IN TEL AVIV AND LOUIS FARES IN DAMASCUS

ISRAEL IS increasingly pessimistic about the prospects for an early return of the three security officers from its liaison office in Beirut who were taken prisoner by the Syrians in northern Lebanon on Tuesday.

Diplomatic efforts are continuing to bring about their release, and Israel is continuing to emphasise that it holds Syria responsible for their safety and Lebanon responsible for their return.

At the same time Israel was relieved by the statement by Mr Farouk al-Sharaa, the Syrian Foreign Minister, that the three will be treated as prisoners of war according to the Geneva Convention.

But even this is tempered by continuing reports in the Syrian media accusing the three of being saboteurs who were on a military mission when halted at the Syrian front line in Lebanon. Israeli officials insist that they were on a tourist trip north of Beirut when acptured.

Giving further details of the detention of the three men a Syrian official in Damascus said yesterday that there had been a gunbattle between them and a mobile Syrian patrol which intercepted them on the coast road.

The Syrian official said the Israelis "passed a road block manned by Lebanese Phalangist militiamen, then they passed another road block manned by the Lebanese army . . . and yet they continued their drive north."

He said the men were now in Damascus and had confessed they were spies, but would be treated as prisoners of war.

Yesterday's edition of the ruling party's paper, Al-Baath, carried a commentary in which they were said to be "a Zionist terrorist cell . . . caught red-handed."

Diplomats say Syria is seeking maximum political advantage from the incident and has no immediate intention of acceding to Israeli demands for their release.

The three men, Mr Shmuel Roza, Mr Nahum Nesher and Mr Eran Florentin, worked as security and administration officials at the Israeli Liaison Office which was set up beside Beirut after Israel's 1982 inva*sion of Lebanon.*

Israel has also expressed willingness to exchange the three, along with the three Israeli soldiers captured by Syria during the fighting in 1982. About 300 Syrian soldiers are still held by Israel since the war in Lebanon.

Some 2,000 Israeli soldiers and army personnel have been crippled during fighting in the Lebanon in the past two years, according to the Chairman of Israel's Disabled Soldiers' Organisation, adds Reuter from Tel Aviv.

Some 3,500 Israeli soldiers, security men and civilians employed by the army have been wounded in the past two years of clashes. A total of 580 Israelis have been killed in Lebanon since the war started there on June 6 1982.

Malaysian Finance Minister's denial

By Wong Sulong in Kuala Lumpur

TENGKU RAZALEIGH, the Malaysian Finance Minister, has strongly denied allegations made in a Hong Kong court linking him to a financial loan scandal and a murder case involving the collapsed Carrian property group.

In a statement yesterday, he said the allegations were "wild and blatantly dishonest" and that they were an attempt to create dissension among Malaysian ministers and at discrediting the Malaysian leadership.

Mr Mak Foon Than, a Malaysian businessman now on trial for the murder of Mr Jalil Ibrahim, a senior Bank Bumiputra officer, alleged in a statement read out in court that he had worked for the Malaysian Finance Minister for eight years and had been asked by the Minister to go to Hong Kong to collect $6m.

Mr Mak, who denies murdering Mr Ibrahim, made the claim in a statement to Hong Kong police which was read out in court. He did not mention the Finance Minister by name, nor did he disclose whom the money was to be collected from, and what it was in payment for.

Mr Ibrahim had been seconded early in 1983 from Bank Bumiputra in Kuala Lumpur to its wholly owned Hong Kong subsidiary, Bumiputra Malaysia Finance (BMF). His posting coincided with investigations into loans made by BMF to a number of Hong Kong property developers, including the now-bankrupt Carrian Group.

Tengku Razaleigh denied ever knowing Mr Mak, and reiterated his statement to Parliament last month, in which he categorically denied any involvement with either Carrian or with the loans given to it by Bank Bumiputra.

"This conspiracy to defame me is obviously politically motivated, particularly at this time — just before the . . . elections," he said.

This is in reference to the triennial elections of the ruling United Malays National Organisation on May 25.

Until he became Finance Minister in 1976, Tengku Razaleigh was Bank Bumiputra's chairman.

Sixteen Sikh extremists held

By John Elliott in New Delhi

THE INDIAN Government achieved a major success in its confrontation with Sikh terrorists in the northern state of Punjab yesterday when 16 extremists hiding in three Sikh temples in the town of Moga were arrested. They included some members of the banned Sikh Students Federation.

Reports last night said that 350 people held hostage in the *temples by the terrorists had* been released. District authorities found 13 guns and ammunition in the temples.

Arab funds flow into Algeria

BY FRANCIS GHILES

ALGERIA and the United Arab Emirates have agreed in principle to set up a joint investment company with a capital of $20m. An Algerian delegation headed by M. Mostefa Ben Amar, the Algerian Vice Minister for the Budget, has also held talks with the Abu Dhabi Fund for Arab Economic Development to discuss assistance for a number of projects in Algeria.

Joint investment ventures between Algerian state and foreign companies have been allowed since last year but they have been very slow getting off the ground.

However, Algeria has been successful in attracting a growing volume of Arab funds for a wide variety of industrial projects. The Arab Fund for Social and Economic Development which now lends regularly is expected to finalise a $19m 20 year loan with a maturity of *6 per cent to Algeria's recently* set up Agriculture Bank shortly.

The same bank has said that it is prepared to lend $40m towards the construction of a new port at Djen Djen, on the east coast.

The port project is also expected to benefit from $10.8m loan from the Islamic Development Bank and a $50m loan with an interest rate of 4 per cent from the Saudi Fund for Development. Both loans have a 20 year maturity.

Further loans from the Saudi Fund are earmarked for the Gargar and Ain Dalia dams.

South Africa seeks to formalise gold's monetary role

BY DAVID DODWELL IN HONG KONG

THE South African Government sees a pressing need to clarify and formalise the monetary role of gold, Dr Chris Stals, senior deputy governor of the South African Reserve Bank, said in Hong Kong yesterday.

"Now that the storm over the continued role of gold in the international monetary system has spent itself and gold has re-established its role in the revamped system, South Africa regards the time as opportune for a reconsideration of the place of gold in the international settlements and adjustment mechanism," Dr Stals told delegates at a Financial Times world gold conference held in Hong Kong in association with The Banker, with backing from Cathay Pacific Airlines.

Dr Stals said that during the period of "so called phasing out of gold" from the international monetary system, the physical gold holdings of monetary authorities fell by less than 4 per cent. He said gold had become a hard core element of the total reserve and had been relegated to the bottom of the stockpile where it is seldom touched.

He said this practice reflected an absence of any international arrangement enabling central banks to use their gold reserves from time to time to finance a temporary balance of payments deficit. An international agreement would allow them to use these gold reserves more easily as collateral.

Speaking for the world's largest gold producer, Dr Stals said it would not be in his Government's interest to cling to nostalgic memories of gold's international role, but he felt confident it would continue to be important as a "preferred international reserve assets."

This optimistic note was reflected by Mr Dennis Suskind, a partner of Goldman, Sachs and Company/J Aron who told delegates that more and more people want to own gold. Less buoyantly, Mr Suskind added that until there was some change in interest rates, inflation expectation, and the fundamentals of supply and demand, gold prices were likely to remain depressed.

He insisted that the fundamentals of supply and demand for gold "are changing in a way which assures much higher prices in years to come." But this would follow in large part from the "retail product revolution" in gold trading.

"Retail revolution or not, gold has performed dismally in the past year," he said.

FINANCIAL TIMES
WORLD GOLD
CONFERENCE

He said that three of the five factors affecting gold investment had been bearish—interest rates, inflation, and perceptions about supply and demand.

"Given the strong negative aspects of some of the key price determinants, it is amazing that gold prices have been as well supported as they have," he claimed.

This support had been due, Mr Suskind said, to new and sophisticated ways of investing in gold, including precious metals certificates of deposit, investment accounts, leverage accounts and mutual funds concentrating on gold, and gold mutual funds. It includes options on gold futures contracts, as well as the emergence of new gold exchanges around the world, and in new participants—like U.S. private pension fund managers—in the gold market.

In an opening address to the conference, chairman Mr Robert Guy, a director of N. M. Rothschild, noted that 10 months ago U.S.$400 appeared to be a base for the price of an ounce of gold: "But since October, it has rather become a barrier."

He said diversification into gold had been constrained by a continuing decline in the balance of payments surpluses of countries most likely to diversify. He complained that "during the 1970s gold was castigated as too volatile to be considered a viable reserve asset. Now that its price movement is relatively limited, it is thought to be of less importance to the future of the international monetary system."

Dr Hans Mast, executive vice-president of Credit Suisse, raised the question of whether a return to the gold standard ought to be reconsidered.

After a sweep across 4,000 years of history in which he recounted mankind's unflagging love affair with "the beautiful metal," Dr Mast noted the various vain attempts, particularly by U.S. governments, to undermine the role of gold as a hard core of a country's reserve assets.

He said bankers and businessmen had remained sceptical as governments tried to debase the value of gold and reduce their reliance on it. He said these efforts had led ineluctably to high rates of inflation, high unemployment and debt crises, that have been commonplace over the past decade.

He asserted that gold's role as "a store of value" had been reinforced and that its function as a monetary reserve remained intact. He insisted that floating exchange rates "hardly ever achieve an acceptable equilibrium," and that "it is hardly conceivable that gold would play no part" in recreating stability and solving current economic problems.

While Dr Woo Hon Fai, president of Hong Kong's Chinese Gold and Silver Exchange Society, talked briefly about the colony's gold business in his welcoming address to the conference, it was left to Mr Robert Valentine, senior vice-president and general manager of the Republic National Bank of New York to talk in detail about the local gold market.

Noting the "delicious complexity" of the Chinese Gold and Silver Exchange Society—which has never traded in silver—he described how Hong Kong has over the past decade grown to become the third largest gold market in the world, behind London and New York.

Singapore, which runs second to Hong Kong in Asia, could nevertheless quickly usurp Hong Kong's place, Mr Valentine warned, "if there were any sharp deterioration in the political or economic climate here."

"The only uniqueness of Hong Kong is its ability to adapt rapidly to the world's financial scene," he said. "Anything that damages this ability to adapt will damage Hong Kong."

Despite the size and sophistication of the Japanese economy the gold market there remains comparatively small. Mr Takashi Tanaka, managing director of Tanaka Kikinzoku Kogyo explained how the market has expanded in response to the stimulus of diversification over the past five years.

The final contribution from an Asian regional representative came from Mr Delfin Lazaro, executive vice-president of Benguet Corporation, the Philippines' oldest and largest gold mining company. He described the important part that rising gold production had played in meeting the Philippine Government's foreign exchange needs. He predicted that the Government's continuing economic problems would make the Philippines a substantial seller of gold on the international markets for the foreseeable future.

France to request cut in supplies of Siberian gas

BY PAUL BETTS IN PARIS

GAZ DE FRANCE, the French state gas utility, is due to hold talks with the Soviet Union in coming weeks to try to hold down to a minimum level its liftings of Siberian gas.

The French gas utility is currently struggling with an oversupply of gas as a result of a series of long-term contracts negotiated with foreign suppliers before the recent decline in energy demand.

A Gaz de France official confirmed yesterday the company will be asking Moscow to adopt a more flexible attitude to the second major gas supply contract between the French utility and Moscow which came into effect this year.

This contract involves a maximum annual supply of Siberian gas to Gaz de France of 8bn cubic metres and a minimum annual supply of 6.4bn cubic metres by 1986. Under this contract, Gaz de France will be lifting 1bn cubic metres of Siberian gas this year and is due to lift 3bn cubic metres next year reaching the full rate of between 8-6.4bn cubic metres in 1986.

The French company would now like to slow down the rate of supply under the contract in view of the softness of demand on the market in general. The French utility under an earlier contract with Moscow already lifts 4bn cubic metres of Soviet gas a year. The first contract has a 10 per cent take or pay flexibility clause while the second contract involving the Siberian gas has a 20 per cent take or pay clause giving the maximum-minimum range of 8-6.4bn cubic metres a year.

Gaz de France insists it does not intend to renegotiate the second Soviet contract itself but simply is seeking more flexibility on the supply rate schedule and on the pricing of gas in view of general market conditions.

The French utility is also seeking similar flexibility with its gas supply arrangements with the Netherlands. However, renegotiation of its large gas supply contracts with Algeria, involving about 9bn cubic metres a year, are subject to complex bilateral negotiations between the French Government and the Algerian authorities.

The French gas utility expects to see its losses rise to FFr 4bn (£341m) this year as a result of the impact of a strong U.S. dollar against the French franc and the decision of the French Government to hold down the utility's domestic price rise demands. Moreover, the utility this year will have to carry on its accounts the FFr 1.5bn deficit connected with France's gas supply contracts with Algeria.

Gaz de France's gas supplies last year totalled 27.3bn cubic metres or more than domestic consumption of 25.8bn cubic metres. The company has also seen its debts increase from FFr 26bn at the end of last year to nearly FFr 30bn.

India and Iran seek to mend trading relations

BY JOHN ELLIOTT IN NEW DELHI

INDIA AND Iran this week have taken an important step towards normalising their trade and industrial links which declined following the 1979 revolution.

The two countries have agreed in New Delhi that India's exports to Iran should increase threefold in the current year to a figure not less than $225m. The exports stood at $74m in 1982-83 but increased to about $80m in the 1983 calendar year.

The Iranian delegation, led by Mr H. A. Jaafari, Commerce Minister, also moved closer towards finalising a new trade agreement, which would be the first for 11 years.

Early agreement is also possible on the Kudramukh iron ore plant which was built in the southern Indian state of Karnataka five years ago to supply Iran.

The iron ore supplies never started and Iran has paid only $225m towards a loan of $630m it had promised India before the revolution towards the cost of the project. Iran is now preparing industries to receive the iron ore and trial deliveries are expected to start later this year. Since 1980 the plant has only been working at about 20 per cent capacity and the iron ore has been exported to Romania and Czechoslovakia.

Progress was also made towards solving problems associated with an oil refinery in the southern Indian city of Madras which refines Iranian oil and on the future of Indian co-operation in Iranian oil exploration.

Canadian labour row hits output of newsprint

MONTREAL — Canadian newsprint production fell in March for the second month because of the effects of a lock-out in British Columbia's forest industry which accounts for 17 per cent of Canadian newsprint output.

The Canadian Pulp and Paper Association said that production in March totalled 666,000 tonnes, off 2.1 per cent from the already-depressed level of 680,000 tonnes produced in March 1983 but up 7.1 per cent from the 622,000 tonnes produced in February.

The British Columbia labour dispute lasted from early February until April 10. Before the lock-out Canadian newsprint output had been rising because of growing demand especially in the U.S. The association said that total U.S. consumption of newsprint grew 7.3 per cent in March to 939,000 tonnes from 875,000 tonnes a year ago. So far this year U.S. newsprint consumption has risen 9 per cent over 1983 levels.

AP-DJ

S. African group to build Chilean dock facility

Sandock-Austral, the South African engineering shipbuilding and ship repair company, has been awarded a rand 13.9 (£8m) shipyard construction contract at Punta Arenas in southern Chile, Jim Jones writes from Johannesburg. The contract is for the provision of a docking facility capable of handling vessels of up to 4,000 tons and the provision of a launching and recovery system which will be manufactured in South Africa and shipped to Chile for erection. Completion of the project in 15 months will be followed by the operation of the facility by Sandock on an equal basis with the Chilean state-owned company Asmar which commissioned the project.

Indian army tractors

Vickers Shipbuilding and Engineering, a subsidiary of British Shipbuilders, and the Royal Ordnance Factories are finalising a £50m order for tractor excavators to be used by the Indian army. Vickers, the private sector engineering group, is not involved in the deal as was suggested in yesterday's Financial Times.

Plessey, Mitsubishi form U.S. mobile radio venture

BY JASON CRISP

PLESSEY, the British telecommunications group, and Mitsubishi, the Japanese electricals company, have formed a joint venture to sell cellular mobile radio telephone systems in the U.S.

Astronet, the joint venture, is equally owned by Plessey's U.S. telecommunications subsidiary, Stromberg-Carlson, and U.S. subsidiaries of Mitsubishi.

Cellular mobile radio telephone systems are expected to become a major market in the U.S. Astronet says it hopes to capture 10 per cent of the cellular radio systems in the 100 largest metropolitan areas in the U.S.

A recent report by consultants Frost & Sullivan estimates that sales of cellular radio systems in the U.S. will total $1.3bn by 1988 but over half of this will be made by 1985. Most of the top 30 cities are expected to have the permitted two competing systems installed by late 1985. Other cities will have much smaller systems.

Astronet faces strong competition from a number of companies including Motorola, General Electric, E. F. Johnson and L. M. Ericsson. Mitsubishi will supply the mobile radio telephones and the radio base stations. Stromberg-Carlson will provide the telephone exchanges used in the Astronet system. (Mitsubishi has been supplying radio equipment for the Nordic Mobile Telephone system, the largest cellular radio system in operation.)

Stromberg-Carlson will sell the system to telephone companies while Astronet will sell to the other common carriers which may compete to supply the alternative cellular radio system in U.S. cities. Astronet expects to announce its first contract within two months.

Stewart Fleming in Washington explains growing government disquiet over the effects of protectionism

Why car-makers are losing friends in high places

ACCORDING to Mr William Brock, the U.S. special trade representative, American car manufacturers are in danger of *losing touch with reality in their* efforts to secure a fifth year of protection from Japanese imports.

He reiterated these views again this week when he told reporters following a congressional hearing of his inability to reconcile high bonuses paid to U.S. car industry executives with the industry's continuing pressure for protection against imports.

Mr Martin Feldstein, chairman of the President's Council of Economic Advisers, has made it clear that he shares the growing concerns about the protection.

Mr William Broch

WASHINGTON — American workers, and not their well-paid bosses, would be punished if the Reagan Administration does nothing to extend voluntary quotas on imported Japanese cars, the president of the United Auto Workers Union says.

Mr Owen Bieber said more than 200,000 jobs would be lost if the view of Mr *William Brock, the U.S.* trade representative, prevails and the Administration fails to obtain an extension of the quotas, due to expire in *March, 1984.*

Mr Bieber said: "No one has been more outspoken than I about the outrageous compensation the auto executives are taking. But Ambassador Brock, by proposing to end the restraint agreement, apparently wants to punish the workers for the greed of their bosses."

Senator Don Riegle, a Michigan Democrat where much of the U.S. auto industry *is located, said 1m jobs* would be lost if Japanese automakers were able to increase their share of the U.S. market from a current 23 per cent to 40 per cent.

AP

Mr Owen Bieber

Even on Capitol Hill, a veritable hotbed of protectionist lobbying in this election year, a consensus is forming that, for the car industry at least, the wind is going out of its campaign to put further curbs on imports.

Last year the House of Representatives passed the Domestic Contents Bill, which would have required a steadily increasing proportion of local labour and materials in cars sold in the U.S. Now congressional trade experts are saying that the United Auto Workers campaign for the bill has lost momentum; and that it is the steel industry's lobbying for protection which is tearing at the heart strings of Washington's politicians.

Were Congress not still busy debating so many other protectionist measures, it would be tempting to conclude that the economic recovery and drop in unemployment have, indeed, begun to erode support for schemes to erect barriers against imports.

Instead the car industry must be seen as a special case, albeit one which will serve as a warning to other trade unions and corporations which have been arguing for laws to beat back import competition.

The car companies have of course been announcing dramatic profits recoveries. Chrysler, now back from the edge of extinction and providing real competition to its U.S. rivals, earned more profits in the first quarter than in any full year in its history. Ford and General Motors have been recovering no less dramatically and the industry as a whole is expected to earn a net profit of close to $10bn this year, according to Wall Street forecasts.

Rather than take a leaf out of the book of foreign rivals, such as Daimler Benz, and try to bury as much as possible of their rediscovered riches in their balance sheets, the Big Three have been going around like holiday makers who have struck it rich in the local casino. General Motors, for example, for the first time paid a chairman, Mr Roger B. Smith, more than $1m in salary and bonuses. Ford paid its chairman Mr Philip Caldwell, $1.4bn in salary and bonuses. Other top executives in the companies also secured generous bonuses.

These payments, coupled with the recent sharp increases in car prices, have not endeared the car industry to even some of its friends in Washington. Its enemies have been having a field day.

Increasingly the argument is heard that four years of quota restraints on Japanese car imports have ensured that U.S. car prices, imports as well as domestic vehicles, are higher than they would otherwise be, with the result that Japanese car manufacturers are now more profitable than would otherwise have been the case. The Japanese producers, it is argued, have taken these above normal profits and have been reinvesting vigorously so that if and when the restraints are lifted they will come back stronger than ever.

There is widespread scepticism about whether the U.S. companies have used the four-year breathing space as effectively, and their ability to compete with the Japanese smaller cars in a reopened market is questioned. General Motors' deal with Toyota jointly to produce a small car in California is cited as evidence that the U.S. companies are still *not competitive.*

A more pressing concern, however, and one which helps to account for the Reagan Administration's evident unease, is the impact the quota restraints could have on wages

Later this year the UAW and management sit down to work out a new wage agreement. Washington is worried that the UAW will be able to rally rank and file support behind a wage claim which will increase inflationary wage pressure in the economy. As Mr Feldstein put it recently in a TV interview "I think they (quotas) do threaten to put inflationary pressures into wage-setting in the auto industry, and I think its about time we think about getting rid of those quotas."

Whether a re-elected Reagan Administration will actually do anything more than talk tough is another question, however.

The quotas on Japanese car imports are just one of the cards which can be played in the gruelling trade issues that upset smooth trade between the two countries. The quotas most certainly will come up when Mr George Bush, the vice-president, visits Tokyo next Wednesday. Mr Bush did say this week that the president had "not made a determination as to what our position will be on that."

AMERICAN NEWS

Fed proposes capping interest rates on loans

BY STEWART FLEMING IN WASHINGTON

MR ANTHONY SOLOMON, President of the New York Federal Reserve Bank, said yesterday that countries and banks involved in international debt negotiations should consider mechanisms such as capping interest rates on loans as a way of side-stepping the problems which rising interest rates pose for the implementation of IMF-supported economic adjustment programmes.

Mr Solomon's comments were made at Senate banking committee hearings into the recent rescue package put together for Argentina while it negotiates with the IMF. They provide a further indication of the mounting concern in both banking and official circles about the threat which further increases in U.S. interest rates, in particular, could pose.

On the other hand there is unease about the added burden of debt service for heavily indebted countries such as Brazil and Argentina. There is also concern in some quarters that the ability of the Federal Reserve to tighten its monetary policy, should that be necessary, could be limited by the impact which higher interest rates might have on developing country debtors.

Bankers, who regularly cap interest rates on loans to companies in difficulties, have been actively studying the implications of some form of cap for interest rates to debt-ridden Third World borrowers. But they have been concerned about the implications of setting such a precedent and about the sort of mechanism they could use which would minimise the impact of such a step on their balance sheets and profit and loss accounts.

It seems likely that the idea of an interest rate cap will be one of several possibilities discussed by central bankers at the meeting in New York this weekend hosted by the New York Federal Reserve Bank to discuss the longer term challenges posed by the international debt problem.

Mr Solomon did not suggest in his remarks that interest rates would move higher although this is a widespread concern among private economists, particularly after the rises earlier in the year. In remarks to the same committee, Mr David Mulford, assistant Treasury Secretary for international affairs, said that the Treasury believes the present rise in interest rates will stabilise well short of previous peaks and resume a downward movement.

● A long-term solution to the Latin American debt crisis may come through the assumption of external debt by wealthy individuals and institutions in the debtor countries, Mr Ira Stepanian, president of the Bank of Boston, said in London yesterday, writes Andrew Baxter.

The economies of countries such as Brazil and Argentina would stabilise some time in the next 20 years, allowing expanded growth based on natural resources, he suggested. Holders of the wealth created would then buy bonds and treasury bills, enabling the foreign debt to be paid off and "internalised."

Argentina begins to curb wage rises

BY JIMMY BURNS IN BUENOS AIRES

THE ARGENTINE Government has begun to curb wage increases and substantially cut subsides to the state sector for the first time since taking power five months ago. The initiative is apparently aimed at paving the way for an agreement with the International Monetary Fund which expected to send a mission to Buenos Aires next week for a further round of negotiations.

The Economy Ministry on Wednesday night announced that salary increases in both the state and private sector will be only 9 per cent. This is several percentage points beneath the expected rise of between 15 and 18 per cent in the consumer price index for the month of April alone and is thus an important departure from the expansionist policy pursued until now.

Since the radical government took power last December, wages in the state sector have been readjusted upwards periodically to compensate for the gap between the original government forecast for monthly inflation and the actual increase in prices. The last wage readjustment announced last month was 9 per cent in addition to the 13 per cent already granted. The consumer price index in March increased by 20 per cent—7 per cent above the government forecast.

Sr Bernardo Grinspun, the Economy Minister, claimed just before Easter that recent excessive wage increases had been behind the upward pressure on prices and announced that further adjustments would be frozen for three months. Yesterday's increase was announced simultaneously with the forecast that prices in May would increase by 13 per cent.

Brazil aims to break even in 1987

By Andrew Whitley in in Rio de Janeiro

BRAZIL expects to be able to eliminate entirely the current account deficit on its external balance of payments by 1987—provided it can maintain its *present strategy of obtaining* ever-larger annual trade surpluses.

The mounting current account deficit, which had reached the enormous total of $16.3bn (£11.72bn) in 1982 according to new figures from the Central Bank, was a principal reason for the country's 18-month-old external liquidity crisis. Last year the reficit declined sharply to $6.2bn and is expected to be reduced further in 1984 to $5.3bn.

Sr Affonso Celso Pastore, the Central Bank Governor, told a congressional committee looking into Brazil's agreements with the International Monetary Fund on Wednesday that this target depended on the performance of the world ecenomy over the next three years.

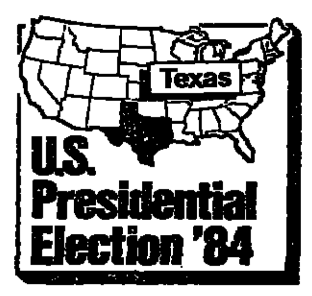
He confirmed that Brazil's debt will this year reach the psychologically significant level of $100bn; but predicted that its rate of growth would slow down after 1987.

Backing up Sr Pastore's bullish approach, the Central Bank has just released figures showing that at the end of the first quarter, Brazil's economy was running comfortably within all the key targets set by the IMF.

This remarkable turnaround from the miserable performance in 1983—when the IMF agreement had to be revised four times to adjust to breached targets—was attributed to the tough monetary andfiscal policies imposed by Sr Pastore.

Reginald Dale in Dallas assesses the chances of the Colorado senator

Hart, seeking wild frontier, may find Alamo



TO LISTEN to Senator Gary Hart over the past few days, one would think that the last President of the United States was called Mr Carter Mondale. Battling to survive in this year's race for the Democratic Presidential nomination, the Colorado senator has launched his "final offensive" against Mr Walter Mondale, his main opponent, and he *is* trying to strike where it hurts.

Mr Hart is flinging everything he can against Mr Jimmy Carter's former Vice-President to stop him closing his grip on the nomination in the next five days. His aggressive new theme is that Mr Mondale is tarred with the failures of an inept "Carter-Mondale" administration. While Mr Mondale is *trying to make a major campaign* point out of his White House experience (complete with new TV ads featuring red telephone hotlines), Mr Hart says that he cannot have it both ways.

Mr Mondale must share the blame for the Carter failures—including the traumatic Iranian hostage crisis, unemployment and muddled economics, he maintains. By making such slashing accusations against the previous Democratic administration, Mr Hart is gambling with the party's future—it will be hard to heal such wounds before November's elections.

Mr Hart's aim is to drive home his point that the 1984 Presidential election is, or should be, a contest of epic proportions, pitting the past against the future. Both President Ronald Reagan and Mr "Carter-Mondale" are the past, in his view.

The strategy has failed in its first objectives which was to relaunch the Hart campaign in Tennessee on Tuesday. The major tests, however, still lie ahead—tomorrow in Texas and on Tuesday in Ohio. Between now and then, primaries or caucuses will also be held in Louisiana, Mr Hart's home state of Colorado, Indiana, North Carolina and Maryland, to select a total of well over 700 delegates to July's National Convention in San Francisco.

With 1,967 delegates needed to win the nomination, Mr Mondale has now amassed about 1,240, according to unofficial estimates, against Mr Hart's 670 or so. If Mr Hart does not make a major comeback between now and Tuesday — preferably winning either or both of the two biggest states, Texas and Ohio — Mr Mondale will be well within sight of victory.

Mr Hart has been running both a relatively relaxed campaign in Texas, reflecting what the media has identified as a new "loose" style to appeal to Western and South Western voters, and a frantic vote-getting effort in the other widely divided states.

His campaign on Tuesday kicked off with an early morning visit to a high unemployment area in Northern Ohio, continued with a river steamboat cruise with senior citizens in Indiana, a quick visit to dockers in Baltimore harbour, many miles to the East in Maryland, and a night-time rally with supporters in Fort Worth, Texas, that began two hours late. He was hoarse and wilting after packing four states and almost six hours of turbulent, wind-buffeted flying into a single day.

Mr Hart hopes that his Western, cowboy-boot *image* will appeal to Texans — he is the only one of the three candidates who can don a stetson with an air of credibility. This week, he insisted on taking his campaign staff and travelling Press corps to Gilley's, a famous country and western nightclub in Pasadena, because he had always wanted to see the birthplace of the "urban cowbody." His staff, perhaps wisely, would not let him ride the mechanical bull.

But Mr Hart faces an uphill struggle in Texas where the complicated voting system seems bound to work in Mr Mondale's favour. Texan regulations stipulate that voters can attend Saturday evening's caucuses only *if* they have already voted in the primary for local state and congressional officers earlier in the day — in which the presidential candidates names will not be on the ballot.

Mr Jackson, who is not highly favoured in Texas, has attacked the procedure as "the most convoluted system in the nation." While around 1m people are expected to vote in the primary, perhaps only one-tenth of that number will attend the 6,600 precinct caucuses that begin the process of selecting the state's 200-strong convention delegation, the third biggest after California and New York.

While the system is intended to ensure that only "*informed*" people attend the caucuses, the young, trendy voters to whom Mr Hart appeals may well have better things to do on a Saturday evening. Mr Mondale, on the other hand, has a highly tuned state-wide organisation, in which his union supporters and the Texan schoolteachers, who are also pledged to him, will do their utmost to bring out the vote.

The only recent opinion poll gave Mr Mondale a seven point lead over Mr Hart, jumping to 15 points among likely caucus participants. But the *campaign has been largely invisible*, with both sides trying to organise support through private telephone calls and letters to computerised lists of Democrats, rather than state-wide advertising.

Many Texans will have chosen not to tune in to Wednesday night's special campaign debate in Dallas which coincided with the serial Dynasty, one of the state's most popular *TV shows*. With the three candidates tired and uninspired and Mr Mondale particularly jaded, the Dynasty viewers did not miss any fireworks.

Mr Mondale has kept up the attacks on Mr Hart's past record that earlier helped to win him solid victories *in* the big industrial states of Illinois, New York and Pennsylvania, at the risk of often appearing petulant and fussy. While Mr Hart has constantly pledged not to respond to the attacks in detail, and concentrate on the issues, he has now taken the gloves off himself.

Mr Mondale, as has been his wont in recent weeks, dismisses these attacks as signs of "desperation." The conventional wisdom is that, barring accidents, Mr Mondale now has a downhill run to the nomination. It is also thought that he will lose badly to Mr Reagan in November.

Mr Hart still insists that he is better equipped to beat Mr Reagan—a point to some extent borne out by the opinion polls. But the national media are portraying tomorrow's vote here as his "Alamo"—which, despite its almost mystical renown, was not a victory but a *slaughter of American heroes*.

Without apparently realising its significance, Mr Hart this week spoke at the court house in Jackson, Tennessee. It was the very same place in which the legendary Davy Crockett made his last public speech before perishing in the Alamo. "You can go to hell," Crockett told his faint-hearted audience, "I'm going to Texas."

De Lorean probe 'known'

BY LOUISE KEHOE IN LOS ANGELES

THE BRITISH Government knew that John De Lorean was under investigation for drug trafficking a month before his arrest in October 1982, defence lawyers claimed at Mr De Lorean's trial in Los Angeles yesterday.

By "tipping off" the British Government to a criminal investigation of Mr De Lorean, the FBI aimed to influence the Government's decision on future financing for the De Lorean Motor Company, they claim.

Documents describing the undercover investigation "could show there was a plan and a scheme developed where John De Lorean was forced to deal with these undercover agents because they were the only ones available to give money to the company," one of Mr De Lorean's lawyers said.

Lombard

Interest relief from the IMF

BY NICHOLAS COLCHESTER

YOU are the president of a developing country. IMF prescription in hand, you are trying to atone for the excessive borrowing of the past. You are imposing economic austerity that explores new limits of political possibility. Then, suddenly, the interest payment on your floating rate dollar debt costs you several hundred million dollars more.

The new interest rate bears no relation to dollar inflation. It seems to come out of the blue. It transfers your reserves, not to your bankers, but straight through them to their anonymous depositors. Who has ordained this transfer of wealth? It is the fallout from a mix of fiscal and monetary policy which other, more comfortable, countries argue about incessantly. How do you explain this to the crowds below your balcony? You barely understand it yourself.

Next week a convocation of the world's central bankers gathers in New York. They will be searching for a longer-term solution to the debt problem and one of the key components must be a way of mitigating the immediate burden of interest payments upon certain heavily indebted countries. The most widely touted solution is "capitalisation of interest" in which banks simply pay themselves interest due and add such sums to the amounts their borrowers owe them.

Capitalisation may require great heart-searching on the part of bankers, bank managers and auditors, but it is not really a solution at all: it only gains a borrower time by piling up his debt obligations into the future. Time may bring prosperity, but the prosperity needs to be that much more prosperous when it comes.

The moment has surely arrived to try to protect selected international borrowers from the vagaries of U.S. interest rates. The IMF has some experience in protecting countries from sharp falls in commodity prices or sharp rises in the price of oil. *Special IMF loan facilities* have been created to deal with such contingencies: why not a facility to deal with sudden surges in interest costs?

It might work like this. If, and only if, a debtor country is engaged in an IMF programme it will receive from the IMF each year compensation equal to its net floating rate dollar debt (loans less deposits) multiplied by the number of percentage points by which London interbank offered rate (Libor) exceeds a base level – say 10 per cent – over the year. The borrower is thus compensated for the actual impact upon it of any rise in Libor over the base rate.

The money for this scheme could be raised and lent in the normal IMF manner, but this would be a pretty unimaginative approach, little more than an officially funded version of interest capitalisation. It would be much more farsighted to extend such interest relief in the form of an IMF grant, funded either out of sales of IMF gold or through direct issue of the IMF's own reserve currency, the Special Drawing Right.

The sums involved would not be as large as the generalised issue of SDR being demanded from the fund from some quarters. The total net floating rate debt of the 40 countries with IMF programmes is roughly $150bn. Supposing Libor averaged an unlikely 15 per cent over a full year, the fund would pay out interest relief of $7.5bn. Even in this extreme case it would be issuing much less than the annual £12bn or so of SDR's being demanded by the developing countries and France.

One can imagine the disdainful smiles such a whim will provoke in IMF officials, central bankers and hard-nosed treasury men: Unthinkable breach of the IMF articles to issue SDR selectively – grossly unfair to poor countries that have kept their affairs in order – dangerous precedent to allow IMF into subsidy business – can't let the banks off the hook – if Brazil, why not New York City? And so forth.

It is impossible to find an entirely satisfactory route away from an entirely unsatisfactory starting point, yet interest relief would provide free rides to nobody. The funds supplied could not be misused and would only flow so long as the recipient was in financial difficulties, and so long as U.S. anti-inflationary policy required unnaturally high U.S. rates of interest. Any form of reserve creation is probably, *au fond*, inflationary. Interest relief is simply the most conditional and most specifically targeted form of reserve creation I can think of.

This Lombard article was published in yesterday's London edition of the Financial Times.

UK NEWS

Pit dispute hits power stations

BY PHILIP BASSETT AND MAURICE SAMUELSON

TWO MAJOR power stations have been switched off temporarily to conserve the electricity industry's dwindling coal stocks.

The stations, at Didcot, Oxfordshire and Aberthaw, in South Wales, are the first large coal-fired plants to be halted by the miners' strikes over pay and pit closures which is now in its eighth week.

Both stations burn coal mainly from South Wales from where there have been no deliveries since the strikes began. The Central Electricity Generating Board (CEGB) emphasised yesterday that both stations still had coal in stock and could be switched on again when necessary.

Mr Ian MacGregor, chairman of the National Coal Board (NCB), gave a clear warning yesterday that more pits would be closed if the strikes continued.

He told a conference of the British Association of Colliery Management: "One pit, Bogside in Scotland, has already closed as a direct result of the strikes and another 25 have serious problems coming up."

In spite of the efforts of pit managers to protect collieries from the effects of water, gas and geological pressure would soon add to the list of 20 closures already announced, he said.

He made no reference to his previous offer of extending the time limit for closures and said, "It's time the NUM made some overtures to me. I see no reason to initiate talks."

Referring to the incidents at Ravenscraig steelworks he said it was a tragedy that steelworkers would have to use U.S. imported coal when there was a perfectly good pit at Polkammet "just up the road."

The NCB said that 43 of its 175 pits were working normally yesterday; 121 were strikebound and others partly affected.

In the House of Commons, Mrs Margaret Thatcher, Prime Minister, rejected renewed Labour opposition claims that the Government was taking an active part in the dispute. Government policy was to "leave management to get on with the job," she said.

Warning over future of two steel plants

BY OUR INDUSTRIAL STAFF

THE BRITISH Steel Corporation (BSC) works at Llanwern, South Wales, was down to less than one week's coal supplies and in danger of coming to a halt and losing its coke ovens permanently, local steel union officials said yesterday.

Urgent negotiations were due last night to try to persuade South Wales miners to supply an additional 10,000 tonnes of coking coal to the works. Llanwern trade union representatives have already met and decided, in the absence of a positive response from the miners that they will back BSC management moves to bring in coal by other means.

In Scotland yesterday, BSC succeeded in beating a miners' blockade at the Ravenscraig steelworks when 30 lorries entered the plant with coal. Mr Bill Sirs, leader of the Iron and Steel Trades Confederation, said Ravenscraig faced permanent closure with the loss of 4,000 jobs unless coal supplies got through. Miners have tried to restrict the plant to one trainload of coal a day.

"Unless our steel plants get the coal they need the ovens and furnaces may crack and collapse. If that happens at Ravenscraig the plant may never open again," he said.

Steel production at Llanwern has already been cut back by about 20 per cent as a result of the coal strike. It emerged yesterday that BSC has begun importing hot rolled steel coil to keep its three tinplate plants – Trostre, Velindre and Ebbw Vale – all located in South Wales, adequately supplied.

Under normal conditions, Llanwern requires the equivalent of 25,000 tonnes of coal a week. After the strike started miners agreed to supply some 13,000 tonnes of coke a week for the blast furnaces. But supplies are drying up after a recent call in Cardiff by Mr Arthur Scargill, the miners' president, to "tighten the knot" by cutting special dispensations.

Dutch cable TV opening for Music Box

By Raymond Snoddy

MUSIC BOX, the British pop music channel for cable television, has been given permission to show its programmes on Dutch cable networks.

The approval has come from the Dutch Culture Ministry allowing entry into one of the largest cable television markets in Europe. Mr Charles Levison, chief executive of The Music Channel, the company which runs Music Box, said he hoped the channel would be seen in the Netherlands from July.

Music Box is owned by Thorn EMI, Yorkshire Television and Virgin Records and is a merger of the three separate efforts to set up music channels for cable.

Tomorrow, Mr Rupert Murdoch's Sky Channel is expected to be shown on the cable networks in Delft and Amsterdam after receiving Dutch Government approval.

BL strikers plan picket

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

STRIKERS at Austin Rover's Longbridge, Birmingham, plant who have halted production of the Metro and Mini models, voted yesterday to mount pickets with the aim of hitting production of the newly-launched Montego, assembled at Cowley, Oxford.

Longbridge makes engines for the Montego range, crucial to Austin Rover's assault on the fleet car market. Picketing of Longbridge, threatened from next Tuesday after the May Day holiday, could spread the manning dispute which has so far been confined to 700 trim workers on the assembly tracks.

Austin Rover reacted calmly night to the threatened picket. "When the pickets arrive and we see their intentions we will then be able to make a judgment," the company said.

Austin Rover must hope that it can isolate the strikers and that employees, as so often in the past, will report for work.

The dispute flared on Monday when six workers were given verbal warnings for lack of effort. Colleagues walked out in protest and other sections have joined the action. Some 780 workers are now on strike, with 3,000 others laid off without pay.

Mr Jack Adams, the convener, said last night that after various stages of de-manning, a point was reached when the further loss of labour became "intolerable." He insisted that even the management claimed that Longbridge workers were among the most efficient in Europe.

BL spending, Page 14

UK NEWS

MORI SURVEY ON HOW COMPANIES FACE UP TO NEW TECHNOLOGY

Innovation fails to spur markets

BY OUR FOREIGN STAFF

THE MAJORITY of companies are using technological innovation as an additional means of exploiting existing markets rather than using it to move into related markets or enter new markets.

This is one of the conclusions of a survey into the impact of new technology on corporate strategy undertaken for PA Technology, the management consultants, by MORI, and published in Brussels yesterday.

The survey covered more than 500 company directors from manufacturing or process concerns in West Germany, the UK, Belgium, the U.S. and Australia.

In Britain and Belgium more than two-thirds of those polled said the new technology was used for the exploitation of existing markets. The percentage rose to 83 per cent in West Germany and was about 70 per cent for the other countries covered.

British companies came bottom of the five-country "league table" in applying new technology to create new products and market opportunities.

Nearly half of the British sample was not satisfied with the length of time taken to develop new products from concept to the marketplace, compared with 17 per cent in West Germany, 20 per cent in Belgium, 22 per cent in the U.S. and 31 per cent in Australia.

Only 19 per cent of the British sample of businessmen felt technology had a great deal of impact on their products, and only 16 per cent believed technology had made much impact on their production processes.

In contrast, 44 per cent of German directors in the survey believed that technology had affected their products, and 33 per cent thought it had benefitted their production processes. In the U.S., the comparable figures were 42 per cent for impact on product and 34 per cent on production processes, in Belgium 38 per cent and 37 per cent respectively, and in Australia 29 per cent and 25 per cent.

Herr Gerold Wiese, head of PA Technology's German operation, cautiously noted that "our daily work does not always confirm the self-evaluation by German industry" revealed in the poll.

Herr Wiese emphasised that while German industry was among the leaders in a lot of fields it lagged in several key sectors.

He also underlined that in Germany research and technology was largely devoted to existing product lines, not to innovation – as the poll had confirmed. Only 37 per cent of the German managers emphasised the importance of research and development.

While the extent of German confidence revealed in the poll is felt surprising, the result is broadly in line with the more buoyant mood in industry since the start of this year.

There seemed to be a general conclusion that not enough research and development was undertaken by companies and that 25 per cent of the total executives believed the application of research and development should change.

West Germans to lift UK investment

BY DAVID HELLIER

WEST GERMAN companies are planning to increase their investment in the UK this year despite taking a rather dim view of the country's economic growth prospects, according to a survey by Herr Dieter Neumaier of Wiesbaden, the West German associate of London-based consultants, Tyzack and Partners.

The survey, based on research during the last quarter of 1983, also highlights the instability of top management in UK-based German companies and concludes that this is a symptom of parent companies' efforts to improve the competitiveness of their British subsidiaries.

Last year there was a change in top management in nearly a third of German companies in the UK – and 22 per cent plan a change this year.

The number of UK-based German companies planning to invest in Britain this year is three times last year's number and 27 per cent of them plan to invest more than DM 1m during the year.

This is despite the fact that more than half the parent companies that control the 700 or so German companies currently operating in the UK regard the markets as either stagnant or shrinking.

Nearly half of the German companies with subsidiaries in the UK are in Greater London, with 21 per cent of them in the City of London. Elsewhere, there is an overall preference for South-East England.

Most of the German companies in Britain were founded after 1955, and the survey concludes that the influence of West German companies is likely to continue to expand.

All of these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE — April 19, 1984

$150,000,000

International Bank for Reconstruction and Development

Five Year Floating Rate Notes of 1984, Due May 1, 1989

Interest on the Notes will be payable quarterly on February 1, May 1, August 1 and November 1 commencing August 1, 1984. The interest rate will be subject to adjustment on the calendar day following each auction of 91-day Treasury bills, and will be equal to 50 basis points above the 91-day Treasury bill auction rate (expressed on a bond equivalent basis).

The First Boston Corporation

Goldman, Sachs & Co. — **Lehman Brothers Kuhn Loeb** Incorporated — **Merrill Lynch Capital Markets**

Morgan Stanley & Co. Incorporated — **Salomon Brothers Inc**

WERELDHAVE

N.V. Beleggingsmaatschappij Wereldhave
(Investment Company with variable capital)
23 Nassaulaan, 2514 JT The Hague (Netherlands)

1983 DIVIDEND

At the Annual General Meeting of Shareholders held on 2nd May, 1984 the dividend for the financial year 1983 was fixed at Dfl. 9.– in cash per ordinary share of Dfl. 20.–.

An interim dividend of Dfl. 4.25 was distributed in September, 1983. The final dividend of Dfl. 4.75, less 25 per cent dividend withholding tax, will be payable from 11th May, 1984 on presentation of coupon No. 27.

Dividend coupons may be presented at Pierson, Heldring & Pierson N.V., Algemene Bank Nederland N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Bank Mees & Hope NV, Credit Lyonnais Bank Nederland N.V., Kempen & Co. N.V. in Amsterdam, The Hague, Rotterdam and Utrecht, in so far as there established, or at the offices of Morgan Grenfell & Co. Limited, 21 Austin Friars, London EC2N 2HB.

By order of the Board of Management

The Hague
3rd May, 1984

May 3rd, 1984

Ente Nazionale per l'Energia Elettrica (ENEL)

SDR 100,000,000

Floating Rate Debentures due 1986

Extendible at the
Debenture holder's Option to 1989
Guaranteed by the Republic of Italy

In accordance with the terms and conditions of the Debentures, notice is hereby given that for the Interest Period commencing on May 4th, 1984 the Debentures will bear interest at the rate of $10\frac{1}{16}\%$ per annum. The interest payable on the relevant Interest Payment Date, November 5th, 1984 against Coupon No. 7 will be SDR 258.55

The US$/SDR rate which will determine the US$ amount payable in respect of Coupon No. 7 will be fixed together with the Interest Rate for the period commencing November 5th, 1984, on November 1st, 1984.

Fiscal Agent
ORION ROYAL BANK LIMITED
A member of The Royal Bank of Canada Group

UK NEWS

Ireland Forum campaign in U.S.

By Our Belfast Correspondent

THE TWO main unionist parties in Northern Ireland are sending representatives to the U.S. to mount a propaganda campaign against the New Ireland Forum report.

Both the Democratic Unionists, led by the Reverend Ian Paisley, and the Official Unionist Party headed by Mr James Molyneaux, have rejected the suggested options contained in the report. They view a united Ireland in any form as totally repugnant.

Mr Paisley said his party wanted to counter the views being put forward by Mr Peter Barry, the Irish Foreign Affairs Minister, who is already in the U.S.

Mr Molyneaux, who yesterday met Mr James Prior, the Northern Ireland Secretary, in London to discuss the implications of the report, has agreed that two of his party's officers should fly to Washington next Tuesday to explain their case to politicians and the media.

The response of the Official Unionists to the report has been to dismiss any interference in Ulster's affairs by outside interests and the party is adopting a low key attitude to the entire affair.

Door may be open, Page 31

Sinclair drops Belfast option

SINCLAIR VEHICLES has abandoned its option on the De Lorean sports car facilities in West Belfast. John Griffiths writes.

Its decision deals the final blow to Northern Irish hopes that the 72-acre site could again become a centre for vehicle production – of the family of electric cars that Sinclair intends to launch within the next three to four years.

Sinclair Vehicles – which is wholly-owned by Sir Clive Sinclair and has no links with his Sinclair Research company – has negotiated an assembly contract with Hoover at its plant in Merthyr Tydfil, South Wales, for the first of the electric car family, described as a commuter runabout and due to be launched next year.

The De Lorean receivers, Sir Kenneth Cork and Mr Paul Shewell, have now activated their long-delayed plans to auction the Belfast plant and equipment, and place land and buildings on the market.

The auction will take place at the Dunmurry site, a few miles west of Belfast city centre, between May 23 and 25. Mr Shewell said yesterday he expected the assets to be bought "on a fairly piecemeal basis."

The plant was primarily an assembly operation for the ill-fated De Lorean sports cars. But among the higher value equipment is a 25 units-an-hour plastic body moulding facility using a resin injection system developed by Lotus; a computerised Tellus carrier system for transporting the cars between work stations, a £400,000 rolling road facility and an engine emissions test centre.

Sir Clive Sinclair

Proceeds from the auction will make only a small contribution towards the mountain of debts left by *the De Lorean collapse. There is* little prospect of reimbursement to trade creditors who are claiming more than £41m. The preferred creditor is the UK Government which invested £86m in the venture.

● **WOOLWORTH** has completed the sale of 34 stores in Britain including its flagship store in Oxford Street, London. A further six stores are up for sale. Heron Property Corporation has paid more than £50m for 32 of the stores.

Woolworth has sold more than 100 stores since the chain was acquired from its U.S. parent compeny about 18 months ago in an attempt to make the group more profitable.

● **LUCAS CAV**, the diesel engine equipment company which has reduced its UK manufacturing workforce by more than 20 per cent since 1981, *has begun recruiting again.*

The company said this had been made possible by a contract to supply Ford with equipment for its new direct-injection, high-speed 2.5 litre diesel engine – recently launched in the Transit van.

● **INTENSE** competition is expected from bus-makers for a £140m order from London Transport (LT) for more than 2,000 buses to replace its Routemaster double-decker vehicles. LT expects to distribute a finished design for manufacturing tender early in 1986 and take delivery of the buses between 1987 and 1992.

● **PETROL** price increases announced by Shell and BP earlier in the week have been reversed after refusal by Esso to go along with a 3.7p rise to 187.8p a gallon for four star fuel. Esso, whose 20 per cent market share is too large for its competitors to ignore, said: "Current factors suggest the market will not support higher prices."

● **THE GOVERNMENT** is to give approval for a £400m joint venture for direct broadcasting by satellite. A decision to be announced next week will clear the way for legislative changes to enable the controversial and financially-risky project to proceed. The venture will involve no state financing and will group the BBC, independent TV companies and an independent commercial body.

UK NEWS

Mary Ann Sieghart looks at the launch of a contract based on share movements

U.S.-style financial futures sport kicks off

"IT IS still distinctly a minority sport in Britain, but we're catching up quickly with the States." The stockbroker was talking not about American football, but of a pursuit just as hair-raising and requiring the same split-second timing – the trading of financial futures.

Yesterday, the London International Financial Futures Exchange (Liffe), barely 18 months old, tried to close the gap with the U.S. even further by launching a new contract based on the movement of shares on the London Stock Exchange.

Stock index contracts have been *immensely popular* in the U.S. since they were launched in 1982. More than 1m S&P 500 index contracts changed hands on the Chicago Mercantile Exchange in February, compared with about 200,000 a month when the trading began.

Liffe's new contract, though, may not get off to such a sensational start. A combination of tax and legal problems could make some investors stay away from the market.

Liffe's new contract is based on the new Financial Times-Stock Exchange 100 index, launched in February. *This tracks the price* movements of 100 leading UK shares and is recalculated every minute.

The idea of using stock index futures is to reduce the risk of holding shares or to bet on the way the stock market is heading.

For instance, if a fund manager thinks the index will fall, he may not want to start offloading his shares. Instead, he can *sell* a futures contract, keeping his shares with the dividend income they bring.

If he is right and the index does go down, he will probably lose money on the shares. But he can buy back the futures contract at a much cheaper price than he sold it and make a profit which should cancel out losses on his portfolio.

The contract has other uses too. The manager may take a bullish view of the market while knowing that his next injection of money will not come in for several months. Though he cannot afford to buy many more shares, he can buy a futures contract by putting up a fraction of its value. If the market does rise, he can sell that contract at a profit.

Even if he is not already fully-invested, buying a futures contract allows him to cash in on the rising market while giving him time to *pick his stocks with care.*

When the contract began trading yesterday, the initial business was done by firms who were already members of *Liffe* and had been trading the other futures contracts for more than a year.

Of the old hands, the stockjobbers will find the contract the most useful as it gives them a chance to hedge the positions they have built up in the stock market.

"It seems to be tailor-made for our requirements," says Mr Nick Durlacher, the partner in charge of futures and options at jobber Wedd Durlacher Mordaunt. "We're extremely enthusiastic about it, though our ability to use it will depend on its popularity."

His view is echoed by Mr Stephen Raven, a director of rival jobber Akroyd & Smithers. "We'll be a major market-maker in the contract," he says, "but we can only use it properly if the trading volume is good."

This is the crucial question. Will there be enough trading in the contract to tempt in the institutions who want to hedge their portfolios? The trading volume, or liquidity, must be great enough to allow the hedgers to buy or sell the contracts they want at the time that suits them.

Mr Michael Jenkins, chief executive of Liffe, hopes that the major outside players in the contract will be pension funds and insurance companies, who between them own about half of the total UK equity pool.

Liffe has organised seminars and produced literature to help educate institutional fund managers in the use of the contract. But ignorance is not the only obstacle to overcome.

Pension fund managers, in particular, are *naturally conservative* creatures. After all, they have to preserve, and preferably increase, the real value of the money they manage so that the workers they represent can be assured of retirement cash in up to 40 years' time.

Many of the trust deeds under which they operate were drawn up 20 or 30 years ago when financial futures were unheard of. In order to use Liffe, then, they have to change the trust deeds and that means persuading the board of the company that futures are a good thing.

Most of the institutions would like to see a reasonable degree of liquidity in the market before they dip more than a toe in the water. In the U.S., this liquidity arose out of the high proportion of individual investors using the contracts. Some were 'locals' or floor traders; others private investors who wanted to take a punt on the market.

But the UK tax system discourages this. Unlike dealings on the stock market, which are taxed as capital gains, any profits made on the futures contract will be subject to income tax. For higher rate taxpayers, this means the tax burden is doubled.

Moreover, unless the individual is a full-time trader, he will not be allowed to set off gains against losses in any previous tax year or against losses incurred elsewhere. Mr Geoffrey Chamberlain, of stockbroker Hoare Govett, sums up the problem: "A possible 60 per cent income tax with no offset for losses is not the most attractive thing to get you racing into a new market."

Liffe has made submissions to the Inland Revenue on this matter *and describes the reaction as "sympathetic."* Michael Jenkins says: "We haven't given up on individuals. We hope to achieve something this year or next." He claims that if all futures profits were treated as capital gains for those not regularly involved in the market, there would not necessarily be a loss in tax take. More people, he says, will come into the market if the tax treatment is changed.

All is not lost, however, without the individual speculator. Although the U.S. markets depend on him, Liffe's other contracts have built up respectable trading volumes based on a high degree of institutional involvement instead.

What it needs with the stock index contract is for a few funds to make the running. As Tom Heyes, chairman of the National Association of Pension Funds and manager of Imperial Chemical Industries' fund, says of his members: "They are aware of the mechanics. What they've got to see is that there are profits to be made or losses to be stopped."

Fund management is, after all, a highly competitive business and if a few funds start making money out of futures, the others may see it as a market they can no longer afford to ignore. *Mr Tony Dye, of Phillips & Drew,* who manage £3.5bn of pension fund money, points out. "It's another tool in the fund manager's armoury. Anything which might add to performance is welcome."

In any case, Liffe is not expecting to emulate the phenomenal success of the stock index contracts in the U.S. "If by the end of the year, we're doing 2000 index contracts a day, we would be very happy," says Michael Jenkins. "People are going to come in quite tentatively. They will test the water. I think it will take time, but it will be successful."

CONTRACTS AND TENDERS

TENDER NOTICE

BANGLADESH POWER DEVELOPMENT BOARD

GREATER DHAKA POWER PROJECT Phase 2

Tenders are being invited for the undermentioned contracts which, subject to signature of an exchange of letters between the Overseas Development Administration and the Government of Bangladesh, will be financed by the Overseas Development Administration of the British Government under a United Kingdom/Bangladesh Project Grant for the second phase of the Greater Dhaka Power Project.

TURNKEY CONTRACTS

Tender No.	Title
837154/1	132/33kV substations and Central Area 33/11kV substations including Civil Works.
837154/2	132kV oil filled and 33kV XLPe cables.

SUPPLY ONLY CONTRACT

837154/3	Ancillary Equipment including Vehicles and Boats.

It is anticipated that documents required for preparation of Tenders will be available during May 1984 but interested parties should write immediately, stating which document(s) they require and enclosing the appropriate deposit(s) to the Consulting Engineers:

Ewbank Preece Power and Water Ltd., Consulting Engineer, Prudential House, North Street, Brighton BN1 1RW, United Kingdom.
Telephone: Brighton (0273) 724533. Telex: 87336 (EPLBTN G).

A deposit of £200 is required for each Tender document requested, such deposits being returnable on receipt of a valid Tender. The closing date for receipt of Tenders will be advised as each document is issued. Tender periods will be 75 days for Tender No. 837154/1 132/33kV and Central Area 33/11kV substations and 60 days for both Tender No. 837154/2 132kV oil filled and 33kV XLPe cables and Tender No. 837154/3 Ancillary Equipment.

Tenders will be restricted to British manufacturers and contractors and materials, goods and services must be of UK origin.

Tenders will be issued from the UK office of the Consulting Engineers but copies will be available for reading purposes only at the Greater Dhaka Power Project office in Dhaka.

PROJECT MANAGEMENT GROUP, HOUSE 47, ROAD 135, GULSHAN, DHAKA, BANGLADESH.

Art Galleries

LUMLEY CAZALET, 24, Davies St., W1. 01-499 5058. NORBERT GOENEUTTE (1854-1894). Etchings, Drypoints and Lithographs. Until 18 May.

THACKERAY GALLERY, 18, Thackeray St, W8. 01-937 5883. ANDY WOOD —Paintings and Watercolours. Until 18 May.

BASE LENDING RATES

A.B.N. Bank	8½%	■ Hill Samuel §	8½%
Allied Irish Bank	8½%	C. Hoare & Co. †	8½%
Amro Bank	8½%	Hongkong & Shanghai	8½%
Henry Ansbacher	8½%	Kingsnorth Trust Ltd.	10 %
Armco Trust Ltd.	8½%	Knowsley & Co. Ltd.	9½%
Associates Cap. Corp.	9 %	Lloyds Bank	8½%
Banco de Bilbao	8½%	Mallinhall Limited	8½%
Bank Hapoalim BM	8½%	Edward Manson & Co.	9½%
BCCI	8½%	Meghraj and Sons Ltd.	8½%
Bank of Ireland	8½%	Midland Bank	8½%
Bank of Cyprus	8½%	■ Morgan Grenfell	8½%
Bank of India	8½%	National Bk. of Kuwait	8½%
Bank of Scotland	8½%	National Girobank	8½%
Banque Belge Ltd.	8½%	National Westminster	8½%
Barclays Bank	8½%	Norwich Gen. Tst.	8½%
Beneficial Trust Ltd.	9½%	People's Tst. & Sv. Ltd.	9½%
Bremar Holdings Ltd.	8½%	R. Raphael & Sons	8½%
Brit. Bank of Mid. East	8½%	P. S. Refson & Co.	8½%
■ Brown Shipley	8½%	Roxburghe Guarantee	9½%
CL Bank Nederland	8½%	Royal Trust Co. Canada	8½%
Canada Perm't Trust	8½%	■ J Henry Schroder Wagg	8½%
Castle Court Trust Ltd.	9 %	Standard Chartered ‖	8½%
Cayzer Ltd.	8½%	Trade Dev. Bank	8½%
Cedar Holdings	9 %	TCB	8½%
■ Charterhouse Japhet	8½%	Trustee Savings Bank	8½%
Choulartons	10½%	United Bank of Kuwait	8½%
Citibank Savings ¶	9½%	United Mizrahi Bank	8½%
Clydesdale Bank	8½%	Volkskas Limited	8½%
C. E. Coates	9½%	Westpac Banking Corp	8½%
Comm. Bk. of N. East	8½%	Whiteaway Laidlaw	9 %
Consolidated Credits	8½%	Williams & Glyn's	8½%
Co-operative Bank *	8½%	Wintrust Secs. Ltd.	8½%
The Cyprus Popular Bk.	8½%	Yorkshire Bank	8½%
Dunbar & Co. Ltd.	8½%		
Duncan Lawrie	8½%		
E. T. Trust	9 %		
Exeter Trust Ltd.	9½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	9½%		
Robert Fraser	9½%		
Grindlays Bank ‡	8½%		
■ Guinness Mahon	8½%		
■ Hambros Bank	8½%		
Heritable & Gen. Trust	8½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.25%, 1-month 6%. Fixed rate 12 months £2,500 8%, £10,000, 12 months 8.25%.
† 7-day deposits on sums of: under £10,000 5¼%, £10,000 up to £50,000 6¼%, £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¼%.
‖ 21-day deposits over £1,000 6¼%.
§ Demand deposits 5¼%.
¶ Mortgage base rate.

Iveco UK profit of £2.7m is first for four years

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE BRITISH subsidiary of Iveco, the Fiat-owned group which is Europe's second-largest truck producer, made a net profit of £2.7m in 1983 – its first profit since 1979.

Since recording a profit of £596,000 for 1979, Iveco UK's losses have reached more than £14m, with a peak deficit of £6.547m for 1981. In 1982 the loss was £2.7m but included an extraordinary loss of £1.7m for the write-down of heavy vehicle stocks.

In 1983 the parent group, which is registered in Amsterdam but has factories in Italy, France and West Germany, capitalised a £4m loan to bolster its UK subsidiary's balance sheet. There were previous capital injections of £5m each in 1982 and 1980.

Mr Alan Fox, chief executive of Iveco UK, says the company's balance sheet "now looks reasonable" and enables it to borrow on normal commercial terms. A £4m medium-term loan has been negotiated with UK banks.

He maintains Iveco UK hoped to improve its financial performance again in 1984 but much depended on currency fluctuations.

Mr Fox predicts that the UK market for commercial vehicles over 3.5 tonnes gross will rise by 14 per cent from 49,950 to at least 57,000.

Iveco also expects to improve its market share – already up from 4.7 per cent to 5.2 per cent last year – to about 6 per cent in 1984, but at present it was having some difficulty keeping pace with demand for heavy trucks.

Iveco UK's turnover last year rose 40 per cent to £44m. Its registrations rose 23 per cent to 2,802 vehicles compared with the market improvement of 11 per cent.

Mr Fox says the turnround in profitability flowed from last year's overhead costs being kept at 1982 levels; from the strength of the pound against the Italian lira and French franc and because the Iveco continental European factories experienced a 10 per cent net improvement in efficiency which helped keep factory prices down.

Iveco UK kept stocks under control, thus helping to reduce its interest bill by £700,000 to £1.7m and there were two price increases which added about 10 per cent.

Mr Fox claims that 60 per cent to 70 per cent of Iveco UK's import bill is covered by purchases of British components by the parent company.

BL plans to continue high capital spending

BY OUR MOTOR INDUSTRY CORRESPONDENT

BL'S CAPITAL expenditure rose by 7.7 per cent from £229.9m to £247.7m last year, the state-owned motor group reveals in its annual report.

Sir Austin Bide, chairman, indicates that capital spending will continue at a high level in 1984. At the end of last year the board had approved £327m of further capital expenditure compared with £376m in December 1982.

BL's manpower worldwide fell from 105,000 at the end of 1982 to 101,000 by December last year. The UK workforce was reduced from 83,000 to 80,000 during the same period.

Sir Austin Bide

However, employment within the cars division rose from 55,398 to 55,487. Within Land Rover-Leyland, manpower fell from 46,748 to 44,487 and there was a reduction from 2,916 to 1,546 in other parts of the business, partly reflecting the disposal by BL of the Goodwin Barsby and the Aveling Barford construction equipment operations during 1983.

As previously reported, BL's extraordinary losses of £73.4m last year included £27.2m arising from decisions already taken on the restructuring of Land Rover-Leyland – 1,057 are to be made redundant at the truck plants at Albion, Glasgow; Leyland, Lancashire; and Scammell, Watford, while Land Rover is to close seven satellite plants and consolidate at one factory with the loss of 1,580 jobs during the next two years.

In addition, a provision of £40m has been included in the £73.4m for "further restructuring in which a final decision has not yet been taken, pending Government approval of the 1984 corporate plan."

Although the report does not say so, this provision has been made in respect of the closure of the Bathgate export truck plant in Scotland which has been given a temporary reprieve by the Government while the Scottish Office attempts to find some way of saving the 1,750 jobs involved.

In his review of the cars division, Mr Ray Horrocks, group chief executive, cars, says it produced a record trade balance of £517m last year.

He suggests that in 1984 competitive pressures in the European car markets will further intensify as manufacturers continue to accept narrow margins to maintain sales in the face of severe over-capacity. But an unprecedented programme of new car models to be introduced in 1984 should allow Austin Rover to increase its share of major markets.

Jaguar's performance is expected to improve further with a broadening of its sales base within Europe.

Mr David Andrews, group chief executive, Land Rover-Leyland dealing with the commercial vehicles business, says 1984 will be another difficult year. "Above all, the final result will be heavily conditioned by the impact that the speed, size and spread of world economic recovery will have on commercial vehicle markets."

The report shows that on a current cost basis, BL's net loss for 1983 was £213m (£348m in 1982) compared with the historic loss of £151.5m (£292.9m).

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Pechiney responds to strong medicine

Paul Betts reports on the French aluminium group's renaissance

GEORGES BESSE hardly fits the popular image of the French "President Directeur General," let alone the head of one of the country's most venerable corporate names. In contrast to the conventional caricature of a smooth, well-dressed, sophisticated, manicured individual who finds talking openly about money slightly distasteful, Besse wears a badly cut blue suit, talks loudly and cracks jokes.

Nonetheless, in the two years since joining the aluminium group, Pechiney, following its nationalisation "he has restored *du punch* to this depressed old group," remarks one of Besse's closest collaborators. A far-reaching recovery plan has meant the divestiture of the group's chemicals assets, the re-centring of the group around its original aluminium and metals businesses, and the continued diversification into speciality metals and other advanced technology sectors.

His aim is to make Pechiney, still the third largest aluminium producer in the Western world, competitive once again with its two bigger rivals, Alcan of Canada and Alcoa of the U.S. He is cutting back the French group's workforce by 4,000 people. He has hacked down headquarter staff by a third and promoted internally younger men to key management positions. He has launched an ambitious restructuring programme for Pechiney's French aluminium operations involving the regrouping of production around two or possibly three major technologically advanced poles and the shutdown of four of the group's 11 smelters in France. He has negotiated a series of novel deals to secure cheaper electricity in France for his smelters and made a number of moves to improve the competitiveness of the group's aluminium production elsewhere in the world.

Georges Besse: negotiated novel deals to secure cheaper electricity

Besse's first priority was to speed up the divestiture programme started at Pechiney before nationalisation in 1982. Pechiney was then still called Pechiney Ugine Kuhlmann (PUK) after the ill-fated merger in 1971 between the original Pechiney metals company and the Ugine Kuhlmann chemicals group.

PUK had already unloaded its money-losing steel operations when Besse arrived. It had also sought to shed its large, but heavily loss-making, chemicals businesses to Occidental Petroleum of the U.S., but the previous administration of Giscard d'Estaing, like the subsequent left-wing government of President Francois Mitterrand, blocked the deal. "It would have solved many problems if they had agreed to the sale," says Besse, adding that the Americans "were prepared to pay good dollars."

Instead, on the argument of protecting national interests, the government insisted on a "French solution." The final plan opted for by the socialist administration involved splitting Pechiney's chemicals assets between Elf-Aquitaine, the state-controlled oil group which has now also become the major French heavy chemicals concern, the Rhone-Poulenc chemicals group, and CdF Chimie, the chemicals subsidiary of the French coal board.

"It took longer than I had hoped and absorbed a lot of management time and effort," Besse acknowledges. But he did very well out of the affair. The state, his shareholder, absorbed the losses and debts of the chemical operations.

Meanwhile, Pechiney's aluminium business, which now accounts for nearly 57 per cent of group sales, compared with about 40 per cent before nationalisation, was in dire need of a facelift. Until the recent recovery in aluminium prices, these operations were also losing a great deal of money. Pechiney's consolidated loss in 1982 totalled FFr 3bn (£257m) and that did not include provision of FFr 1.6bn for the chemicals assets transferred to the three other nationalised French companies. In 1981, Pechiney lost FFr 2.5bn. And during the first six months of last year the deficit was FFr 885m.

Pechiney's French aluminium output last year totalled about 350,000 tonnes, while the group's worldwide output was down from 1.1bn tonnes to 860,000 tonnes. The target is to reduce output eventually to around 1.1bn to 1.2bn tonnes a year.

Besse's strategy for Pechiney's aluminium business can be summed up as follows: produce only where electricity costs are low and only in world scale plants.

Electricity costs are crucial in the electrolytic smelting of aluminium. It takes about 8 kilowatt hours to make a pound of aluminium, and the current market price for the metal is about 75 cents a pound.

Pechiney's electricity costs in France have been high by industry standards, reaching 2.7 cents per kwh in some cases. Besse wants to bring the average down to about 1 to 1.4 cents per kwh.

That would put Pechiney ahead of its European competitors but still leave it some distance behind Alcan Aluminium's Canadian smelters where the average is 0.2-0.3 cents per kwh.

Improvement was needed most in France, where more than a third of the group's aluminium is produced, so Besse set about trying to get better rates out of Electricite de France. Negotiations were tough because EdF was keen to avoid setting a precedent leading to other heavy industrial electricity users demanding rebates.

Borrowing from a British idea of the late 1960s, it was eventually agreed that Pechiney would buy a FFr 2bn stake in an EdF nuclear power plant, and thus would be, in effect, buying its own electricity.

However, Besse remembered that the two British experiments with this system had failed, one of them disastrously. British Aluminium had bought a stake in the Hunterston B nuclear station as a way of getting cheap power for its Invergordon smelter. But the cost of building Hunterston went well over budget, and so the electricity charges to Invergordon were much higher than anticipated and the smelter, although modern and efficient, had to be closed in 1981.

Pechiney and EdF got around this potential pitfall by agreeing that the company would buy a stake in a hypothetical nuclear plant, not a specific one. This means the company is not tied to the fate of any particular plant and it can draw its power from any part of the EdF network.

Besse has also been busy trying to cut electricity charges at the group's smelters abroad. Pechiney is in dispute with the Dutch power authorities over electricity charges at its 85 per cent-owned 170,000 tonne smelter in the Netherlands and has gone to arbitration over power costs at its 140,000 tonne smelter in Greece. Besse also refused to put more money into Pechiney's Spanish subsidiary and has reduced the holding from two-thirds to one-third.

Also, late in 1982, Pechiney pulled out of a proposed smelter project in New Zealand because of difficulties in obtaining a satisfactory electricity price.

Meanwhile, the group has embarked on a major investment programme in its aluminium operations, that includes FFr 3.8bn to raise capacity at its two main French smelters — at Saint-Jean de Maurienne in Savoie and Noguères — to a combined 320,000 tonnes, and the possible construction of a third large smelter.

Abroad, the group has decided to keep a 35 per cent stake in the Tomago 230,000 tonne smelter project in Australia, which is about to begin production.

Pechiney's biggest overseas initiative in the past year has been the sale of its U.S. smelter interests and the launching of a new $1.2bn 230,000 tonne smelter project in Quebec.

The attraction in Quebec was the offer of exceptionally low power costs in a 25-year contract. One of Pechiney's partners in the project said earlier this year at the signing ceremony that when the smelter comes on stream in 1986 production costs would be about 45 cents a pound.

Pechiney has a 50.1 per cent stake in the project, and the remainder is split equally between a Quebec government agency and Alumax, the U.S. group that bought Pechiney's U.S. smelters for $230m.

Pechiney has hung onto its U.S. subsidiary, Howmet, which is a leading producer of turbine blades for jet engines. This is the core element in the group's speciality metals and high technology division. Recently, a French company, Ceramiques Techniques Desmarquest, which makes heat resistant and high performance materials, was acquired.

This division now accounts for a quarter of group sales, overtaking the old ferrous and copper division which has undergone major restructuring.

With the help of the recovery in aluminium prices, Pechiney operated profitably in the fourth quarter of 1983 for the first time since Besse took over. For 1983 as a whole, losses were probably between FFr 600-700m, but the company is cautiously optimistic it can make a profit this year. As an eloquent sign of improvement, Pechiney is also returning to the international financial markets this year to raise U.S.$420m to help it to finance its share of the Quebec smelter. And U.S.$300m of the total is non-guaranteed project financing.

For the Socialist government, the recovery at Pechiney could not come at a better time. The government is having a hard time handling the painful restructuring of the automobile, telecommunications and steel industries, and it needed an example of nationalisation working.

Laurent Fabius, the industry minister, calls Pechiney's recovery "spectacular."

But Besse is more cautious. He sees the formidable competition the group faces, and knows he will have to keep arguing for approval to carry out the group's ambitious FFr 16bn investment programme over the next three years.

So he can probably be expected to continue to talk loudly and move quickly. Most people think he will also continue to get his own way.

Business Travel

UK HOTEL prices have risen by an average 7.63 per cent for a single room with bath, plus English breakfast, over the past year, according to the latest Expotel/Catering Times survey. Trusthouse Forte's pricing policy over the past year has heavily influenced the survey. THF, Britain's biggest hotelier, has only raised its single room rates by between 2 and 5.5 per cent in most categories.

By contrast Crest rates have risen in the region of 10-11 per cent.

The Sheraton Park Tower overtook the Inn on the Park as London's most expensive hotel last year, but the Inn on the Park has climbed back to the top with £127 a night (10.19 per cent up on last year).

●

U.S. TOURING fares are flying thick and fast at the moment. Buyers should beware. These bargain basement tickets which offer season ticket rates for unlimited flying on a particular airline's routes are often hemmed in with restrictions. There is usually a charge for re-routing and if you are bounced (denied boarding because the flight is overbooked) there is no redress.

However, the fares are attractive. Among the latest are Ozark ($199 allowing four stopovers, $369 allowing eight stopovers), United ($359 to $499 according to season and stopovers), Republic $350 to $750 (the latter with 16 stops) and Delta $400 to $475 (if you fly Delta transatlantic too) or $100 more if you cross with another airline.

Northwest Orient meanwhile is pushing hard its claimed fare advantage for business travellers between London and Los Angeles. The airline, which flies from Gatwick, says its first class return on the route is £1,778 compared with rivals' £2,226 from Heathrow. Using its fly-drive programme the passenger can also get a five coupon U.S. pass on its flights free, or a one week Avis car rental plus one night's accommodation or three year membership of the airline's Top Flight Club.

There are similar, if less spectacular, savings and deals on flights to Boston and for executive class passengers.

●

CATHAY PACIFIC is introducing the first non-stop Hong Kong-London service this month. It already operates non-stop out of London. The flight will run every Saturday evening until the end of October. What the airline describes as "relaxed summer winds" have helped make the trip possible in Cathay's Rolls-Royce powered 747s.

Arthur Sandles

It's contacts that count

ONE OF the first things a redundant executive thinks of doing when looking for a new job is to write appropriate letters to scores of companies. Seed the clouds and you're sure of getting a result is the theory.

In practice the results hardly warrant the effort, according to a new survey of recently-hired executives.

Only about four per cent got new jobs through "cold" approaches. Another 18 per cent landed jobs through advertisements, recruitment consultants accounted for little more.

The majority of jobs at top level came through personal contacts.

These findings emerged from a survey of 200 top executives with a median age of 44 and salary of £24,500 who were helped to find new jobs by the "outplacement" consultants, Sanders and Sidney, which helps companies relocate senior managers when their contracts are terminated.

The survey was undertaken to find out how executives found new jobs. Sanders and Sidney found that the successful formula depended, in part, on age.

For the young manager, the most productive source of new jobs were head hunters and newspaper advertisements but their potential dropped off sharply after the age of 40.

The only consistently fertile source of new jobs was through personal contacts—that approach accounted for two-thirds of all jobs for the 50-year-olds and 37 per cent for the 30-year-olds.

According to Sanders and Sidney, the lesson for executive job seekers is not to stay at home scanning newspapers and answering every advertisement. Equally, do not rely on search firms. Instead, talk to friends and increase contacts.

Arnold Kransdorff

Head of Administration

Investment Management

We have been retained to help find an outstanding Administrator for our Client, the investment arm of a **major merchant bank.** Our Client is one of the largest and fastest growing fund managers in the City and operates across a full range of financial products with some £5bn under management and advice.

This is a new appointment aimed at unifying the administration functions of the investment area. It will include overall responsibility for developing and integrating the existing sophisticated computerised accounting systems including reviewing and streamlining existing dealing and settlement procedures.

The candidate will also be responsible for assessing administrative needs for new products and be closely involved in their design and development.

The role will also encompass the organisation and development of internal management information.

The candidate who secures this key appointment will need to combine technical competence with considerable management ability and qualities of initiative and innovation.

Their background must include a thoroughgoing experience in these areas and ideally they will possess an Accountancy or MBA qualification. Age range 30/50.

Salary and benefits are open to negotiation and will reflect the responsibility and seniority of the post.

Please write with full details to Colin Barry, Senior Partner (ref 512) at Overton Shirley and Barry (Management Consultants), Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

Overton Shirley and Barry OSB

CORPORATE HEAD OF TAX

An opportunity to take responsibility for tax matters in a major oil company at an exciting stage of its development.

A substantial North Sea Operator committed to an expanding programme of offshore activity, following the commencement of a major field development, now wishes to recruit a Head of Tax.

The whole environment of the company is one of expansion and it is in this context that a Senior Tax Specialist is needed to take responsibility for the overall tax function and for advising on tax matters.

In this newly created position, you will co-ordinate the preparation of corporation tax computations, PRT expenditure claims and royalty returns. You will also represent the company together with its professional tax advisers, at meetings with partners' tax representatives and with the Inland Revenue.

Applicants, ideally aged 30-35 years, should have gained relevant experience in a senior position in the tax department of a North Sea oil company, having come originally either from the Inland Revenue or possibly from a professional background.

The company offers a competitive salary and comprehensive range of benefits.

To apply please write to SMCL, Cavendish Court, 11-15 Wigmore Street, London W1H 9LB, or telephone 01-629 3532.

SMCL
OIL & GAS RECRUITMENT

Stockbroking
Breakthrough in Corporate Finance

You are aged about 30, qualified and currently working in the investigative area within an accounting, legal or merchant banking firm. You have several years' commercial exposure and contacts and believe your enthusiasm, flair and proven technical ability deserve better.

An aggressive and successful city team is the driving force behind a long established stockbroking firm with two regional offices. The atmosphere is energetic, cheerful and hard-working and they view pending change with eagerness for the opportunities it will create.

The firm wishes to appoint a manager to work with the senior partner and in due course to take responsibility for the corporate finance department. Main duties embrace the investigation and processing of new issue business, detailed involvement in placings and offers, including the creation of the relevant marketing documents and client and Stock Exchange liaison. New business must be fostered while maintaining contact with existing corporate clients.

There are real prospects for advancement and the remuneration package will be attractive and entirely negotiable.

To apply please write enclosing a C.V. or alternatively telephone Derek Cox of Cripps, Sears & Associates Ltd., (Personnel Management Consultants), 88-89 High Holborn, London WC1V 6LH. Telephone 01-404 5701.

Cripps, Sears

Head of Radio Finance

(£20,917 to £24,217)

The Independent Broadcasting Authority (IBA) has a statutory responsibility for providing independent local radio (ILR) services in the UK, through a series of radio contractors. ILR began 10 years' ago and there are now 43 stations on air, with a further 10 in the pipeline.

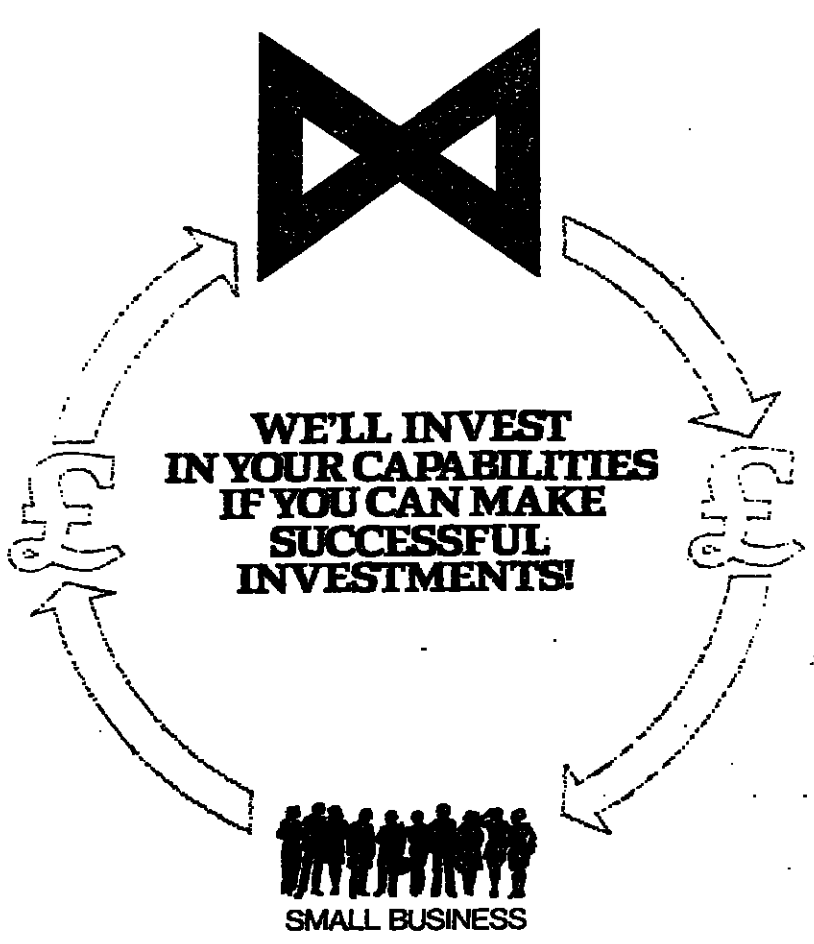
Under the overall management of the Director of Finance, the Head of Radio Finance leads a small team responsible for providing a comprehensive financial service to the radio branch of the IBA. The work covers policy issues such as the investment appraisal of radio development and financial advice on the award and renewal of radio contracts; technical issues involving corporate structure and funding; and the provision of a financial monitoring service.

Applicants should have a degree or professional qualification in finance or accountancy plus extensive management experience in a financial discipline. An understanding of the formal and practical problems of establishing, funding and operating small to medium sized competitive businesses is essential. The ability to draft lucidly is vital, and so too is the ability to communicate and negotiate at up to board level.

The post is based in London, but will require visits to radio stations throughout the country.

IBA INDEPENDENT BROADCASTING AUTHORITY
* An Equal Opportunities Employer *

Applications (for which no special forms will be issued) should contain all information likely to enable the IBA to assess candidates' experience, qualifications and potential, and should be sent as soon as possible to the Personnel Officer, Independent Broadcasting Authority, 70 Brompton Road, London SW3 1EY (Tel: 01-584 7011). Final date for the receipt of applications will be 18th May, 1984.



FINANCE AND INVESTMENT MANAGER

EDINBURGH c.£19,000

Investment in new ventures in Scotland, balanced with the ability to assess the success of such ventures is a major part of the work carried out by the Small Business Division of the Scottish Development Agency. The Division also provides support services such as marketing, technical and professional guidance all geared to ensuring success and profit.

An individual aiming at the top of his/her profession is now required to fill the demanding and stimulating position of Finance and Investment Manager.

Within your main responsibility of directing the Small Business investment policy, you will supervise the activities of the Investment and Financial Services Sections, promoting the understanding and observance of required standards of risk-taking and simplifying procedures of investment appraisal.

An important part of your remit will be to appraise and recommend approvals of submissions for investment from your field staff, including the issue of investment offers and advance of funds. Additionally, through reporting, you will monitor the progress of invested companies and maintain a satisfactory level of return, and co-ordinate the activities of your investment and business advisory team.

An essential requirement is senior level industrial experience along with the ability to understand and relate to the problems faced by small businesses. In order to negotiate security and equity deals you should be a qualified accountant and preferably have some legal training.

Please send a full C.V. quoting Reference FT/SBE 131 to: David Swift, Staff Executive, Scottish Development Agency, 120 Bothwell Street, Glasgow G2 7JP.

All applications must be submitted within 14 days of the appearance of this advertisement. Open to male and female applicants.

Scottish Development Agency

THE UNIVERSITY OF DUNDEE

CENTRE FOR PETROLEUM AND MINERAL LAW STUDIES

"New Blood" Lectureship in Mineral Law

Applications are invited for the post of Lecturer in Mineral Law (including coal) in the Centre for Petroleum and Mineral Law Studies at the University of Dundee. The appointee will be expected to carry out research with a view to establishing a syllabus and gathering materials for a new course in Mineral Law to cover current legal issues both in the U.K. and on the international scene. On the basis of that research the appointee would become responsible, under the guidance of the Director of the Centre, for the introduction and teaching of the new course, and for further research.

Applicants should be under the age of 35 and, since the appointment will be made under the University Grants Committee's "New Blood" scheme, should not at present hold a permanent university post in the U.K. Ideally a successful applicant would be expected to take up the appointment not later than October 1st this year.

Further particulars are available from the Personnel Officer, The University, Dundee, DD1 4HN, with whom applications (6 copies, or if posted overseas one copy) containing full career details and the names of three referees should be lodged by 30th May 1984.

Please quote reference EST/15/84 (FT)

Opportunities with a major Japanese bank

Our client, one of the world's most successful Japanese banks with an extensive overseas operation, wish to expand their London team by recruiting additional qualified professional staff.

Of particular importance are the Corporate Finance and Accounting operations of the bank. Wishing to further develop the credit function, they intend to offer appointments to **Economists and/or Industrial Sector Analysts as well as Credit Officers.**

For the accounting area they wish to recruit two qualified **Accountants.** One of whom will be involved with all computer and general accounting operations; the other will be involved in formulating accounting policies and budgetary control.

For all these positions, candidates must possess either an ACA/FCA qualification or an MBA degree.

Ideally you will have obtained appropriate experience in an international bank and it is anticipated that candidates will be 27-35 years of age.

In return, our client offers most attractive remuneration packages within the normal range of large benefits, and the opportunity to build a career in one of the City's most respected banks.

Please write quoting reference C.A.53 with full c.v. to Mark Jones at the address below. List separately any companies to which your application should not be forwarded.

B&B CONFIDENTIAL REPLY SERVICE
Benton & Bowles Recruitment Limited,
197 Knightsbridge, London SW7.

UNIQUE CAREER OPPORTUNITIES

FINANCIAL SERVICES

Kent, Sussex, Surrey and Essex

Highly reputable and well established financial group have career opportunities within its successful sales team. Successful candidates will undergo full and thorough training in order to successfully advise private and corporate clients.

Applications are invited in strictest confidence from candidates aged 24-45, resident in the above locations, who are able to demonstrate previous success in any field.

To apply for an initial exploratory interview, write in strictest confidence to:

Box A8424, Financial Times
10 Cannon Street, London EC4P 4BY

A CHANGE OF DIRECTION

If your career is at a dead end and you are considernig a change of direction this could be the opportunity you are looking for. Self assured people with ability and business acumen are needed to train for a career within the financial services industry. Exciting opportunities for personal success and career development are linked with excellent training and the prospect of a very high income.

Without obligation, find out about our direction:
Telephone: 01-437 9657 William Daysh
Allied Hambro Financial Management

W.I. CARR (SONS) & CO. (OVERSEAS) LIMITED

DEALER

Due to our expansion into the Japanese Convertible Bond market, we wish to recruit a Dealer to work in our London office. Applicants must have had some previous experience, either trading in Bonds or market-making in Equities.

The salary will be competitive and there are excellent prospects within this expanding company.

Please write in strict confidence to:—

The Managing Director
W. I. CARR, SONS & CO. (OVERSEAS) LIMITED
Milestone House
107 Cannon Street
London EC4N 5AY

EXCO
Exco International p.l.c.
An Exco International p.l.c. company

Bank Recruitment Specialists

U.K. CORPORATE FINANCE ... £25,000+
A leading international merchant bank seeks an additional Senior Manager to join an established team engaged in the development and marketing of merchant banking services to U.K. corporations. The ideal candidate would be aged 28-31, graduate and/or professionally qualified, with 7-10 years' merchant/investment banking experience covering the provision of corporate finance services including (inter alia) mergers/acquisitions, swaps and capital markets transactions.

BOND SALES MANAGER .... to £40,000
An active, highly regarded international merchant bank seeks an additional Senior Sales Manager who will deputise for the head of the area, taking responsibility for sales to a wide range of U.S. and European institutional customers. This appointment offers the opportunity of involvement at senior level within a conspicuously successful Capital Markets operation which is continuing to expand.

OPERATIONS MANAGER (EUROBONDS) .... to £20,000
An international investment bank intends to appoint an Operations Manager whose responsibilities will encompass Eurobond settlements, computerised accounting, general office management and administration. We should like to meet candidates aged in their 20s/30s who have the requisite range of experience.

PORTFOLIO MANAGER
Fixed Interest .... to £25,000
Due to expansion, a very substantial investment institution wishes to recruit an additional Fund Manager at senior level. Upwards of 3 years' experience in the international fixed interest markets is sought, with a particular concentration in Eurobonds. Preferred age: 25-35.

U.S. FUND MANAGER .... c.£15,000
This opportunity, with a well established merchant bank, should appeal to an ambitious young Fund Manager (mid/late 20s) with a successful track record in the management of U.S. equities, backed up by previous experience in investment research. The position reports to a Director, and offers both immediate responsibility and attractive scope for future development.

FUND MANAGER: FAR EAST . to £14,500
A major merchant bank (Member of the Accepting Houses Committee) has a requirement for an additional Fund Manager to work within a small team concentrating on Japan and the Far East. The appointment will attract a graduate aged in his or her mid/late 20s who has some 2-4 years' experience as a Japanese and Far Eastern equity specialist, including fund management responsibility.

Please contact Ken Anderson or Leslie Squires

MOVE INTO MERCHANT BANKING: YOUNG LENDING OFFICER to £20,000
An unusual chance for a well-trained junior Lending Officer, probably with a U.S. bank background, to move across to market a variety of merchant and investment banking products, with the emphasis towards corporate finance, in both the U.K. and Europe. This is actually a 'greenfield' development from a large and reputable banking name.

ELECTRONIC BANKING .... Highly neg.
A background in trade finance, cash management or corporate dealing/treasury represents an ideal entry point with this major bank. In an area noted for innovation, this position is particularly broad-based covering market research and product design, as well as European marketing; it also forms a crucial part of the bank's long-term drive towards automation. Electronic banking is seen as a "fast-track" career path, and we would welcome contact from candidates with any record of exceptional achievement.

SENIOR CORPORATE DEALERS .... £20-25,000 (plus)
Our client, a major worldwide bank, is undertaking a radical redevelopment of U.K. based trading activities. This has created genuinely exciting 'pioneer' opportunities for experienced corporate dealers. Responsibility is for a wide range of treasury products with particular emphasis on new developments such as futures, and currency options. Career prospects should interest the highest of achievers.

TRADE FINANCE (U.S. BANK) . c.£20,000
A first class bank has redefined its marketing objectives within Trade Finance, and in particular has upgraded its product base for the financial institutions sector. For a young banker (probably late 20's) with some proven marketing skills in this area that may represent a move towards "real" account management in a blue-chip marketing environment.

CREDIT MANAGEMENT £15-18,000
Two of the most respected banks in the City each need urgently to find a Senior Credit Analyst (c.30-45) to assume broader management responsibilities within the bank. Training staff motivation and management, and the ability to liaise effectively at Senior management level are integral to these positions — we seek, therefore, someone, who while content to make a career in credit has a "marketing" outlook.

Please contact Kevin Byrne or Leslie Squires

Anderson, Squires, Bank Recruitment Specialists
Blomfield House, 85 London Wall, London EC2
01-588 6644
Anderson, Squires

MANAGING DIRECTOR

CIRCA £20,000 PA

An expanding group of private companies seek a young, versatile MANAGING DIRECTOR.

Applicants must have a financial background with a proven record in general management and possess the necessary qualities to develop and motivate existing staff. Preference will be given to applicants having a marketing background in a manufacturing environment.

We offer a substantial package including an incentive scheme, car and usual benefits for this challenging position.

Apply in confidence to:
David Ashten Davies, Newship Group Limited
Sendmarsh Works, Send, Ripley, Surrey GU23 6LD

SYSTEMS AUDITOR

PRIVATbanken Limited seeks to appoint a Systems Auditor to be based in London. The job entails continuing review of the Bank's systems and procedures; making recommendations for improvement and being responsible for implementing the approved recommendations.

The ideal candidate will have had experience of working (or auditing) in a full service bank in a similar position. He/she must be able to demonstrate a structured approach to multi disciplined tasks and show ability to communicate ideas logically and clearly.

The Bank offers a modern and pleasant working environment from which the candidate should obtain job satisfaction. Also offered are excellent benefit structure and competitive salary with £14,000 p.a. as an indicator.

Applications, which will be treated in the strictest confidence, should be addressed to Mrs. C. Connolly, PRIVATbanken Limited, 107 Cheapside, London EC2V 6DA.

PRIVATbanken Limited

The frontrunner in Danish banking

F/X & MONEY MANAGER

South Africa

Our Client is a major UK Merchant Bank with an acknowledged reputation for the quality and breadth of its foreign exchange and money market activities.

Current expansion and development plans within its long-established South African operations call for the immediate recruitment of a senior foreign exchange manager to assume responsibility for the control and development of the trading function. Reporting to the Deputy Managing Director, the requirement will also include responsibility for training the existing dealing room staff and general corporate development.

Ideal candidates, probably in their 50's or nearing retirement, will be seasoned bank treasurers or senior foreign exchange managers with considerable experience in the management and supervision of international bank dealing room activities.

This senior appointment, **located in Johannesburg**, will be offered on the basis of a 2/3 year contract, and will carry a salary and benefits which reflect fully the *importance placed upon it by our Client.*

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside · London EC2 · Telephone 01-248 3812/3/4/5

Management Selection · Executive Search

Syndication and Placement

Banking and Finance Division

The outstanding success and activity of Samuel Montagu's Syndication Department during 1983 has earned them a wide reputation for innovative and creative financing.

We now have a further opportunity for a banker with an outgoing personality and highly developed communication skills to work in the Syndications and Placement Department of our Banking and Finance Division. These skills must be complemented by a broad technical knowledge of merchant banking accumulated over at least 4 years.

If you can talk about merchant banking with confidence and conviction to people at all levels and have a sensitivity to market trends and changes, a background in 'syndication' may not be strictly necessary.

Applicants should be graduates looking for a Manager or Assistant Manager level appointment.

The salary offered will attract a merchant banker of the highest calibre and the benefits include house purchase facilities, medical cover, non-contributory pension scheme etc.

Please send full career details to Janice Caplan:

Samuel Montagu & Co. Limited,
114 Old Broad Street, London EC2P 2HY
Telephone 01-588 6464

COLCHESTER BOROUGH COUNCIL

Town Clerk and Chief Executive

Salary £23,658 — £24,927 p.a.
plus Car Allowance, Fees and Bonus
(Current total payable £30,000 p.a.)

Applications are invited for the above appointment, which will be vacant in December, 1984. Experience at a senior level in local government is desirable, but not essential.

The Borough has a growing population of 138,700, is Britain's oldest recorded town and is bounded by sea and the Constable Country.

The duties of the post include responsibility for the Town Clerk's Department providing legal, Committee and Personnel services.

A legal qualification would be an advantage, but is not essential, and applications will be considered from any profession.

Election fees are payable for Borough, County and Parish Elections, one European Assembly and two Parliamentary Constituencies.

Further details and application form obtainable from Town Clerk and Chief Executive, Town Hall, Colchester, Essex CO1 1PJ, or telephone 0206 76071, Extension 200.

Closing date: 31 May, 1984.

Career Opportunity in International Oil Company

ECONOMIC ANALYST

Amoco Europe & West Africa, Inc., is a subsidiary of Standard Oil of Indiana, one of the World's leading energy companies.

Continued new venture and development opportunities have created the need for an Economic Analyst in the Planning & Economics Department.

Candidates will be economics or business graduates with 2/3 years relevant petroleum industry experience. *An additional qualification in engineering or earth sciences would be desirable. Duties will include evaluation of new investment prospects, interpretation of local financial and tax regulations and preparation of strategic business plans.*

This is an outstanding career opportunity for a highly motivated individual with strong analytical and communication skills.

A first class salary will be offered commensurate with experience. Benefits and conditions are those normally associated with an international oil company.

Comprehensive assistance with relocation expenses will be provided where appropriate.

Please write with full details to: *Mrs. L. T. Nee, Employee Relations Department, Amoco Europe & West Africa, Inc., Amoco House, 1 Stephen Street, Tottenham Court Road, London W1P 2AU, 01-631 3131.*

AMOCO

International Capital Markets

Marketing Executives–Europe Mid/Late 20's

Our client, a **major Accepting House,** is an important force in the International Capital Markets with substantial and rapidly expanding business in all the important world financial centres.

They now plan to strengthen their marketing efforts in Europe by the appointment of two Executives at Management level. Their primary task will be marketing, which will involve a high level of travel and client contact.

Probably in their mid/late twenties, and almost certainly graduates, candidates will offer significant experience of marketing together with appropriate technical exposure in this increasingly sophisticated and important field. Fair fluency in French or other European languages would be a distinct advantage.

This is an outstanding opportunity for persons of ambition and potential to join a fast expanding division of a major Accepting House. Salary will be negotiable in line with experience, and there are the usual benefits.

Please write with full details to Ted Troubridge (ref 540) at Overton Shirley and Barry (*Management Consultants*), *Prince Rupert House, 64 Queen Street, London* EC4R 1AD. Tel: 01-248 0355.

Overton Shirley and Barry OSB

EUROBOND DEALER/SALES

c.£30,000
plus car and other benefits

To be number 2 at their London office, concentrating on the International and Eurobond markets. You will need 2-3 years relevant experience, have contacts and be prepared to travel. An experienced Gilt Dealer will also be considered. Ideally aged 25-35.

This is an established and rapidly expanding company, and so the career prospects are excellent. The salary offered is negotiable to match your experience.

Speak to Sally Poppleton in complete confidence on **01-481 3188**

CHARTERHOUSE APPOINTMENTS

CHARTERHOUSE APPOINTMENTS LIMITED
EUROPE HOUSE · WORLD TRADE CENTRE · LONDON E1 9AA · 01-481 3188

Head of Operations Jersey Office

International Banking

Morgan Guaranty is a major international corporate bank and one of the largest in the world. We are currently seeking a Head of Operations for our Jersey Office which is a very important and expanding part of the organisation.

*Reporting directly to a Vice President, you will be responsible for the day-*to-day operation of the Bank's activities in Jersey.

You MUST therefore, have permanent Jersey residential status and be able to demonstrate at least 8 years' experience of banking operations, especially international loans administration. You should be a capable manager with the ability to lead and motivate a small team who use some of the most advanced computerised systems available.

We are offering an attractive salary to reflect fully the importance of this key role, plus a valuable benefits package that includes a profit sharing bonus, *mortgage subsidy, BUPA and non-contributory pension and life insurance* schemes.

If you are interested in applying for this position at our office in St. Helier, then telephone for an application form or write with a full c.v. to: Colin Clayson, Vice President, Morgan Guaranty Trust Co. of New York, Queensway House, Queen Street, St. Helier, Jersey. Tel: Jersey (0534) 71566.

The Morgan Bank

SCOTTISH OFFICE

INDUSTRIAL ADVISER TO THE SECRETARY OF STATE FOR SCOTLAND

The need will shortly arise to fill the post of Industrial Adviser to the Secretary of State for Scotland. The primary role of the Adviser is to provide an expert view on measures which will encourage the expansion and modernisation of industry in Scotland, to seek out firms likely to benefit from Government support for innovation and investment and to evaluate applications for selective financial assistance.

The Adviser is an essential part of a team based in Glasgow which is headed by the Under-Secretary responsible for industrial development in the Industry Department for Scotland. The salary for the appointment, which will be for three years, is subject to negotiation but will not be less than £21,426 per annum. As an alternative to direct appointment, it may be possible to arrange a secondment from a candidate's present employer on reimbursement terms.

Candidates, who must have held a senior managerial post in industry or finance (preferably both), should write, enclosing a curriculum vitae, to Mrs. J. Niven, Scottish Office Personnel Management Division, 16 Waterloo Place, Edinburgh, before 18th May, 1984.

INTERNATIONAL BANKING

CORPORATE FINANCE Neg. c. £20,000
We have pressing demand from one of the more "aggressive" merchant banks for a young Graduate/qualified A.C.A. who has gone on to acquire good Corporate Finance experience — mergers/acquisitions, capital markets, etc. — and now seeks increased personal responsibility.

MARKETING OFFICERS £15,000-£18,000
Several possibilities occur with major U.S. and European banks for banks with a demonstrable record of successful marketing. Particularly sought after are those with specialist exposure to, for example, Export Finance, Scandinavia, Major U.K. companies.

EUROBOND MANAGER £ Neg.
An unusual opportunity with a small but expanding European bank for a broadly experienced Dealer who is now looking for managerial responsibility.

INTERNAL AUDIT c. £15,000
An accounting qualification and experience of bank auditing is the combination that will open the door to this appointment with one of the more strongly developing City banks.

CREDIT ANALYSIS £8,000-£12,000
The fundamental requirement is thorough — even if brief — credit training and experience; advancement possibilities are in various directions, appropriate to one's particular aptitudes.

Telephone John Chiverton, Ann Costello or Richard Levering

JOHN CHIVERTON ASSOCIATES LTD.
5 Castle Court, London EC3. 01-623 3861

ASSISTANT PENSIONS MANAGER

London **c£17,000pa + car**

Our Client is one of the U.K.'s top companies employing some 45,000 staff, approximately 15,000 of which are pension scheme members. The funds currently stand at around *£160 million* with annual contributions in the region of £12 million. *Pension management for our client is a* demanding job requiring considerable knowledge and application.

We are looking for a person, male or female, who holds APMI or ACII qualifications and has had a minimum of seven years experience. At least two years must have been in a senior management capacity since this is a high level job requiring staff management as well as fund management skills. It is possible you will have worked in either a large company or consultancy environment.

You will be responsible for system design and efficiency, communication of information, in-company and external liaison and technical advice to line management. *You will be expected to* assist the Pensions Manager in his day to *day duties and assume responsibility for* administration of pension arrangements, which include a heavy commitment to computer facilities.

The salary for this position is negotiable around £17,000 plus a company car, a good benefits package and, of course, an excellent pension scheme!

For further details write in confidence with full C.V. listing companies you do not wish your application to be forwarded to: *D.F. Springhall, Maxwell Clarke, Queens Court, Queen Street, Manchester.*

maxwell clarke
CONFIDENTIAL MC REPLY SERVICE

INTERNATIONAL BOND DEALER

Laurie, Milbank & Co. are seeking to appoint a Dealer in Eurobonds, Foreign Bonds and Foreign Exchange to join their successful and expanding International Department.

The applicant should ideally have good A-levels, be numerate, have previous experience in International dealing and be in the age range 20 to 25.

Please write in confidence to Tim Summers giving full details.

Laurie, Milbank & Co.
Portland House, 72/73 Basinghall Street, London EC2V 5DP.

INVESTMENT ASSISTANTS

We are a major bank currently seeking two young people to fill immediate vacancies in our Investment Department in the City of London. The successful applicants will assist in the management and investment of *major funds, under the direction of the* Investment Manager.

Applicants should have a good general education, including a pass at "A" level in Maths, and will ideally be aged 18-21. *Previous* experience gained in the field of investment or in a financial environment will be preferable, though not essential.

Starting salary will be from c. £5,500 p.a. *including London Allowance,* depending upon qualifications and experience. There are good prospects for advancement within the department, and the positions carry additional staff benefits associated with banking.

Please apply in writing, giving details of career to date and current salary to: *Box A8380, Financial Times, 10 Cannon Street, London EC4P 4BY*

Banking Appointments

Samurai Dealer **Competitive Salary + Usual Benefits**

We are handling an assignment for a well-known securities house who wish to interview dealers with varying levels of experience in Samurai bonds. Their ideal candidate will be aged around 30 with several years fixed interest dealing. However, as they may choose to make more than one appointment, according to the seniority of applicants, they are not restricting the scope at present.

Please contact Diana Warner

Jonathan Wren BANKING DIVISION
170 BISHOPSGATE
LONDON EC2M 4LX
01-623 1266

Data Processing Management

International Banking

City c.£20,000 + banking benefits

Our client is the London office of a major international bank which is strengthening its Data Processing division through the creation of two new management positions reporting directly to the head of the function.

Assistant Manager (Production)

Key responsibilities will be all data and message processing operations in the UK which are vital to the bank's business. You will control 60-70 staff. The operations include IBM 4341 computers with an on-line network, international message switches, Data Entry and Word Processing Centres, PABX's and on-line terminals.

The successful candidate will be aged 27 to 35 and possess strong self-motivation and drive. Considerable experience of operations management, capacity planning, systems programming and data communications is required. Knowledge of micro computers and word processing will be an advantage. Ref. B.1628A.

Assistant Manager (Systems)

The main responsibility will be developing an information systems strategy for the UK which will provide integration of data processing, office automation and communications systems utilising new technology. You will manage a team of 30 and your prime task will be to deliver new and effective applications with the objective being total automation.

The appointee, aged 27 to 35, will have good project management skills, a proven track record of creative achievement and awareness of the latest technological trends and development techniques. Expertise in IBM main-frame compatible data base management and data communications systems is essential, together with knowledge of microcomputers. Familiarity with international communication networks and message switching and foreign exchange dealing systems will be an advantage. Ref. B.1628B.

In addition to the salary indicated, both positions carry an attractive package of benefits including a low interest housing loan, BUPA and a car.

Please write with full details to Peter Evans, quoting the appropriate reference. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent.

These appointments are open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL

CONFIDENTIAL ADVERTISING

Opportunity in Investment Management

for a young graduate . . .

. . . with Clerical Medical, as part of our London based Investment Department dealing with our own fixed interest portfolio.

You will provide an important service to the Assistant Investment Manager in the analysis of securities in the fixed interest and convertible markets to identify and evaluate possible switching opportunities and measure investment performance. Considerable contact with stock brokers, money market dealers and senior industry management will be involved.

The ideal candidate will be a graduate in mathematics or statistics, aged mid 20's, with 2-3 years' experience in the financial sector. Previous investment management experience is not essential. Evidence of successful study for appropriate professional qualifications will be sought.

We offer a competitive salary, depending on qualifications and experience, plus excellent benefits. Career development opportunities are first class.

Please write with full details to: Nick Morgan, Personnel Officer, Clerical Medical & General Life Assurance Society, 15 St. James's Square, London SW1.

Clerical Medical
Life Assurance

TORONTO DOMINION BANK

FX DEALER

The Bank is one of Canada's top five, established in London for over 70 years, with an expanding global treasury operation and significant U.K. growth underway.

We have a post open in our Dealing Room for a young (20-25) Foreign Exchange Dealer with one or two years' experience in spot and forward European currency dealing. The position is an integral part of a well-established team.

Initially the successfull candidate will concentrate on D Mark trading, and there are excellent opportunities for promotion within the London Treasury operation as well as overseas.

The salary and benefits package is fully competitive. Qualified candidates should either telephone 01-283 8700 or forward a C.V. to:

**Mark Heyes, Manager, Human Resources,
The Toronto-Dominion Bank, St. Helens, 1 Undershaft,
London EC3.**

TD

CJA RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

Money Market Services

A leading firm of city stockbrokers wishes to recruit additional experienced dealers with a banking, stock- or money-broking background in the fields of cross-market transactions, interest rate swaps and comprehensive debt and cash management services.

These positions will provide opportunities for career development to people in their 20s. Salary is negotiable, plus bonuses. Applications, in strict confidence, under reference MMS 15629/FT will be forwarded unopened to our client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED
35, NEW BROAD STREET, LONDON EC2M 1NH

ACA, ACCA, ACMA

London WC1
c£17,000

A high-growth service-based public group with pre-tax profits of around £1 million seeks a new Accounting Manager to be responsible to the Finance Director for all monthly management accounts and statutory accounting, systems development, cash management and tax compliance with a small staff and EDP support.

Applicants must be qualified accountants, probably aged 26-32. They should have several years' post-qualifying experience including systems development, staff management and line accounting with substantial computer exposure. in commerce or industry. Prospects are excellent.

For full job description write in confidence to John Courtis at JC&P, Selection Consultants, 104 Marylebone Lane, London W1M 5FU, showing clearly how you meet our client's requirements. quoting 7151/FT. Both men and women may apply.

JC&P
John Courtis and Partners

Corporate Finance Executive

US INVESTMENT BANK LONDON

A major private New York investment bank with an established London presence is looking for an executive aged late 20's to early 30's to join its small corporate finance team responsible for developing and servicing the firm's business between Europe and the United States.

A degree and/or a professional qualification plus three years experience in domestic or international corporate finance work will be the minimum requirements.

Compensation is substantial and will be sufficient to attract the best qualified candidates.

Please write with full CV and in strictest confidence to John Kennard, ABGH Advertising and Recruitment Services Limited, 87 Jermyn Street, London SW1Y 6JD.

ABGH Executive Recruitment

INSTITUTIONAL SALES

We are looking for an additional salesperson for our UK Institutional Sales Team. The successful candidate will probably be below 30 and a self-starter with several years' broking experience. This position may appeal to an analyst with knowledge of our specialist equity sectors whose career plan encompasses the Sales discipline.

Remuneration will depend upon experience.

Write in confidence to:
C. C. Line

Spencer Thornton & Co.
Members of the Stock Exchange

Spenthorn House
22 Cousin Lane
London EC4R 3TE

Norol Hoechst
Oil Chemicals a.s.

SENIOR OILFIELD CHEMIST

Norol Hoechst Oilchemicals a.s. is a full Norwegian company, jointly owned by Norol and Norske Hoechst a.s. Norol is the distribution company for Statoil. Hoechst is one of the world's leading chemical companies. Norol Hoechst Oilchemicals a.s. markets oilfield chemicals, and has many challenging tasks connected with oil production and refining.

We are seeking a senior engineer, aged between 30-40 years old with 4-5 years field experience, to take care of our sales and services to the oil industry. The successful applicant should have a detailed knowledge of all technical aspects of oilfield chemicals and also be competent in the marketing of treating programmes to operating oil companies. Candidates should hold a degree or similar professional qualification in chemistry or chemical engineering and have oilfield experience.

The position is permanently based in Norway with good prospects. Salary is up to £20,000 p.a. and a company car and insurance arrangements will be provided. Applications should be directed to:

Norol Hoechst
Oil Chemicals a.s.

C/O GUIDELINES LTD., DEBMARC HOUSE, 193 LONDON ROAD, STAINES, MIDDX. TW18 4HR ENGLAND.

STOCKBROKING/BANKING

EUROBOND DEALER	c£30,000 aae + mort.
INTERNATIONAL SETT'S MANAGER	c£20,000 + mort.
JUNIOR EUROBOND DEALER	c£15,000 aae + mort.
TREASURY DEALER	c£15,000 aae
GENERAL DEALER	c£10,000 + bonus
BOOK-KEEPER (S/B EXPERIENCE)	c£10,000 + bonus
PRIVATE CLIENTS ASSISTANT	£9,500 + bonus
LEDGER CLERK (PRIVATE CLIENTS)	£9,000 + bonus
VALUATIONS CLERK	£8,500 + mort.
FOREIGN SETTLEMENTS CLERK	£8,000 + bonus
CONTRACTS CLERK	£7,500 + bonus
SECRETARY (PRIVATE CLIENTS)	£7,500 + bonus

For further details of the above and other Stockbroking/Banking vacancies call us on 01-623 0101
CAMBRIDGE APPOINTMENTS, 202 BISHOPSGATE, EC2

DG **David Grove Associates**
Bank Executive Recruitment
60 Cheapside London EC2V 6AX Telephone 01-248 1858

MANAGER — INTERNATIONAL INVESTMENT OPERATIONS

OUR CLIENT: A well established International Merchant Bank with an outstanding record of achievement in the international investment markets.

THE VACANCY: A key management position (reporting to a Main Board Director — Operations) which has been created to provide high calibre departmental supervision to maximise the efficiency of the back office functions. There are good promotional prospects.

CANDIDATES: The essential quality is that of a commanding personality, capable of demanding and receiving respect in a fast-moving and volatile area. Organizational ability is a must which will be linked to an incisive and clear thinking mind.

Relevant experience will have been obtained over a number of years in both the bonds and equities markets. It is anticipated that suitable persons will be currently employed in a similarly active environment. Candidates will have a thorough grasp of all aspects of settlements, accounting, computerised systems etc.

SALARY: Will reflect the importance of the appointment and the stature of the successful candidate.

PLEASE CONTACT DAVID GROVE ON 01-248 1858

P. S. REFSON & CO. LIMITED

invite applications from

GRADUATES

to train as career merchant bankers

Essential requirements are an excellent academic record, perceptive and imaginative approach to a wide range of topics, loyalty, tact and consistent and whole-hearted readiness to undertake such routines as are required.

Travel at short notice may be necessary and a knowledge of one or more foreign languages would be advantageous.

Successful candidates, preferably aged 21-26, will work over a two year period gaining experience of: Banking, Loans and Advances, Documentary Letters of Credit, Foreign Bills and Collections, the Financing of International Trade, Accounts, Money Market and Foreign Exchange, Corporate Finance and Business Development.

Future career prospects will satisfy the most ambitious and recognise individual aptitudes. Initial salaries will reflect the importance attached to these appointments.

Please reply fully, explaining why you should be considered for one of these opportunities, to:

The Managing Director
P. S. REFSON & CO. LIMITED
13 Austin Friars, London EC2N 2HE

SALES MANAGER

LONDON-BASED (U.K. COVERAGE) — ON TARGET EARNINGS £[illegible]000+ PLUS CAR

The Financial Services Division of the Extel Group PLC is one of the U.K.'s leading suppliers of financial information services. At a time when optimism for growth in the general economy is running high, the prospects for the financial information services industry are substantial. The introduction, therefore, of a number of new series, together with a planned diversification into new markets, sees us poised for a further expansion of our sales activity.

If you are an experienced, confident and highly-motivated sales professional, aged 2[illegible], with a proven track record in this marketplace, and are looking to maximise your potential, this could be the opportunity you have been looking for. An ability to [illegible] from the front to achieve personal sales targets is essential, as is the ability to communicate at all levels particularly in face-to-face situations.

The rewards for your efforts will be excellent. The remuneration package comprises a competitive basic salary, plus commission, which makes £18,000 realistically achievable in the first year.

Please write with a brief career outline to:
Personnel Manager,
The Exchange Telegraph Company Limited,
East Harding Street,
London, EC4P 4HB.
or ring the Manager, Financial Services, on 01-628 9361.

Extel GROUP

Research Analyst

£12,000

Our client, a major international investment bank, is looking for a Research Analyst to conduct computer based research in the international bond market. The successful applicant will be required to write micro computer based programmes designed to interface with data held on their existing mainframe computer.

An ability to subsequently market this research material to their clients would be an advantage.

Education to degree level is essential as is fluency in all the following computer languages: PPL, LISP, PASCAL and BASIC.

Applications should be made in writing, enclosing full curriculum vitae, to:
Barry Johnson, PER,
319-327 Chiswick High Road,
London W4.

PER Executive Selection

CONTROLLER POTENTIAL To £14,500

On behalf of our client, the London branch of a major U.S. International Bank, we seek a Qualified Chartered Accountant from a major practice with exposure to taxation and ideally bank audit experience.

Reporting to the Financial Controller the appointed person will head a small team responsible for financial control and management information reporting, with involvement in computer systems design, development and implementation.

For the successful individual this position will be an unrivalled opportunity to enhance management skills and accounting experience with a view to promotion internationally.

The ideal candidate will be a Graduate A.C.A. aged mid-20s with the initiative and ability to relate to an international environment.

Roger Parker Organisation — 4, London Wall Buildings, Blomfield Street, London EC2M 5NT. 01-588 8161 Telex 8811725 CITLDN G.

INTERNATIONAL SEARCH & RECRUITMENT CONSULTANTS

ACCOUNTANCY APPOINTMENTS

APPOINTMENTS WANTED

Accountancy Appointments

Accountancy Appointments

Accountancy Appointments

Finance Director
Fashion company

London
c.£17,500+car

This multi-million pound turnover PLC is a leader in designing and retailing fashion clothes for young women. Its success is based on anticipating fashion trends. The business is growing rapidly, is currently leasing larger shops and is highly profitable.

A commercially aware, operationally effective Accountant is required to make a strategic financial input as well as exercising financial control in the widest sense by managing accounting, budgeting, cash flow, and the development of computer-based systems.

Candidates will be Qualified Accountants, aged around 30, probably Chartered, with a good background in the profession plus some relevant commercial experience. This will include the interpretation of financial results and the use of computers for business control and accounting. The Financial Director must have the potential to grow with the Group. Retailing experience would be a plus.

Please send full personal and career details in confidence to Herbert M. Smith quoting reference 1306/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Rate £34.50 Per Single Column Centimetre

Chief Accountant

Burmah

£ neg + car — Age c. 35 — Swindon

Our client, Burmah Oil Exploration Ltd., is the oil and gas exploration subsidiary of the Burmah group. It has a significant share in the Thistle Oil Field and exploration interests both on-shore and off-shore in the U.K. Other additional interests in overseas exploration and production ventures include the USA and Pakistan.

The Chief Accountant will be responsible to the Director/Finance Manager for planning, co-ordinating, monitoring and controlling the financial and accounting matters relevant to BOEL's exploration and production interests as well as meeting the corporate reporting requirements of the Burmah group.

Applicants must be professionally qualified, with not less than 10 years post qualification experience and be able to demonstrate a successful track record within the exploration and production sector of the oil industry. They must be experienced in the financial accounting, tax and legal practices and provisions relating to exploration and production operations. The ability to manage and motivate a committed team of professionals is essential and importance is attached to persuading and influencing partners and other third parties when representing BOEL on financial matters. Success in this appointment could lead to further promotion in the future.

Candidates should write, enclosing a comprehensive C.V., stating current salary to Adrian Wheale, ACMA, ACIS at 24 Bennetts Hill, Birmingham B2 5QP, quoting ref. B6158.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

A young 'commercially-aware' Accountant looking for a fast route to general management

substantial five figure salary + car — W. London

Designers Guild is a private, profitable and self-financing company with an enviable world-wide reputation for creative design in the fields of soft furnishings and furniture. The company has grown substantially over the last few years and has ambitious plans for the future.

The Finance function plays an increasingly significant role in the development of the business and the MD now seeks to appoint a young and lively accountant who is able to grow with the business and assist him in a wide range of project work. Additional responsibilities will include the management of staff and accounting systems; preparation of accounts; financial planning and cash flow forecasting; profit forecasting and analysis and systems analysis and development.

Candidates, ideally in their late 20's will be qualified accountants – probably chartered – with a minimum of 2/3 years' all round industrial experience. First class communication skills, and a creative and interpretive approach to accounting are essential requirements together with the capacity and maturity to undertake either a general management or increased financial role, as the business develops.

The salary and benefits package will depend on ability, experience and potential but will not be seen as a limiting factor in attracting the right candidate.

Please write – in confidence – in the first instance, with full personal and career details to our advising consultant, M. Hordern ref. B.74252.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.
Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
CONFIDENTIAL ADVERTISING

Financial Accountant
W1 £12-13,000

Our client a Financial Control Services company seeks a young qualified ACA MBA. The successful applicant will have an established track record in commerce, working experience of Scandanavian companies and a fluent knowledge of both Swedish and English in addition to at least one other other European language. The candidate should be prepared to travel in excess of 50% of the year and be able to assume responsibility for client contact.
Ref: JB 6090.

Financial Accountant
£12,000

An exciting opportunity exists for a young, newly-qualified Accountant to gain invaluable industrial experience.
A £4m + turnover engineering company is seeking an accountant to run their accounts department. You must possess drive and initiative, and a knowledge of computers is desirable as you will be instrumental in development of their in-house micro-computer.
Middlesex. Ref. BK 7828.

Management Potential?
£13,000 + bonus

A superb opportunity has now arisen in a major British group.
You will apply your experience in systems development to improve the quality and accuracy of management information, within a marketing orientated company.
If you are a young ambitious ACA/ACCA aged 25/30, your career prospects into a management role are excellent.
C. London Ref. 7900.

Project Accountant
£12,000 + Car

The Holding Company of a highly successful Group, primarily concerned with the Electronics Industry is seeking a qualified accountant to undertake project work within its existing businesses throughout the U.K. The successful candidate is likely to be an ACA/ACCA, mid-late 20's with a background in the profession and preferably commerce, with experience of computerised systems work. Success in this position could lead to a senior financial management role within 2 years.
North Sussex Ref JB 7910.

Lloyd Chapman Associates
123, New Bond Street London W1Y 0HR 01-499 7761

Young Qualified Accountants for Major Business Group
in high technology growth industry

Central London — Up to £14,000

British Telecom Enterprises is an entrepreneurial group of five forward-looking businesses, including such well known names as Merlin, Prestel and Yellow Pages.

A number of challenging opportunities now exist for young accountants to work on budgeting, reporting and consolidation; investigations, reviews and analysis. You will also be expected to assist in developing and instituting new procedures for financial reporting, including the improvement of management information systems using microcomputer techniques.

You will need to be a qualified Accountant (e.g. ACMA, ACCA, ACA), ideally aged 25-30, with broad-based accountancy experience. You must have the confidence and ability to cope with pressure and to take deadlines in your stride. Self-motivation is an important quality, and you will find plenty of scope for using your initiative. Microcomputer experience would be an advantage.

Starting salary (inclusive of London Allowance) will be up to £14,000, depending on age, qualifications and experience.

Please write, enclosing your CV to: Carole Taylor, Personnel Department, British Telecom Enterprises, Room 2126, 23 Howland Street, London W1P 6HQ.

British TELECOM

Chief Accountant

Dover — negotiable salary + car

TOWNSEND THORESEN

Townsend Car Ferries Ltd is the largest arm of the £200m+ Shipping Division of the European Ferries Group, the leading British passenger and vehicle carrier to the Continent.

An internal promotion has created the need for a Chief Accountant to be responsible to the Managing Director for managing a highly professional and well-organised 130-strong department, dealing with all financial and management accounting and treasury matters. Close liaison with key personnel at head office and in other subsidiaries, and with the company's offices and agents overseas will be required. This is a demanding and dynamic environment, where dedication and the willingness to lead by example are essential to success.

A qualified accountant is needed who has gained hands-on experience at a similar level in a large commercial organisation, and whose creative financial management skills have been fully demonstrated in increasing its profitability. Experience of implementing or upgrading computerised accounting systems and well-developed management skills are essential.

A substantial remuneration package will be negotiated in keeping with the importance of the position and full relocation assistance provided if necessary.

Please send cv, in confidence, or telephone or write for an application form, to Stephen Newman, Ref: SS73/0186/FT.

PA
PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

Taxation Manager

Salary Circa £22,000 plus Car

We require a Senior Inspector of Taxes to head the Taxation Department in London of the U.K.'s largest reinsurance company. Consideration will also be given to Chartered Accountants with the necessary international taxation experience. The appointment has arisen because of a promotion within the Group. It is unlikely that anyone in their very early thirties will have gained the required experience.

The successful male or female applicant will be required to demonstrate a high level of personal initiative, especially in the area of group tax planning, in a fast moving and highly innovative business. Responsibility will be to the Head of the Finance Division on a very interesting range of world-wide corporate tax matters concerning, primarily, our own Group affairs but, increasingly those of our clients with which we transact business. In addition to Company taxes there will also be an involvement with both VAT and DLT and whilst experience in these areas is desirable it is not essential. It will also be necessary to liaise with the Taxation Management of the Group's Holding Company.

Staff benefits include low interest mortgage facilities; non-contributory life assurance and pension scheme and free medical insurance, plus company car.

Please write giving full details of your career to date to:
Mr. T.W. Manley, Personnel Manager,
The Mercantile and General Reinsurance Company plc,
Moorfields House, Moorfields,
London EC2Y 9AL.

FINANCIAL DIRECTOR
(DESIGNATE)

c.£18,000 + CAR + BENEFITS

Marcol is a fast-growing, profitable software house specialising in aerospace, scientific and prestigious commercial bespoke software. The business has been established for over 10 years but has recently been the subject of a management buy-out with institutional support. Over 75% of the equity is held by current employees.

The successful applicant will have qualified ACA with a major firm within the last 3-7 years and have obtained 2-5 years' post-qualifying experience in a commercial environment. All-round business acumen is as important as technical skill. The post reports to the Managing Director and progression to Board membership is envisaged within 2 years.

A very attractive package, to include car, medical insurance and company pension, is negotiable.

Please send c.v. to:
Rosemarie Cox
Marcol Computer Systems Ltd.
49 Queen's Gardens
London W2 3AA
Telephone 01-402 9355

MARCOL

QUALIFIED ACCOUNTANTS
for Management Consultancy

LONDON — to £22,000 + CAR

We are an expanding management consulting practice with a wide range of private and public sector clients in the UK and abroad. We seek accountants of all-round ability who will thrive on the challenge and variety of our clients' problems. The work offers opportunities, often at the highest levels, to broaden your technical skills and to demonstrate your potential for future admission to partnership.

Candidates, aged 27–33, will have achieved a successful and responsible career to date. Our selection criteria will include:

- a good first degree
- sound commercial awareness
- effective oral and written communication skills.

If you believe that you have these attributes, please send a career résumé including salary history, quoting reference 2166, to Michael Hurton at the address below.

Touche Ross & Co.
Hill House 1 Little New Street London EC4A 3TR Telephone: 01-353 8011

Accountancy Appointments

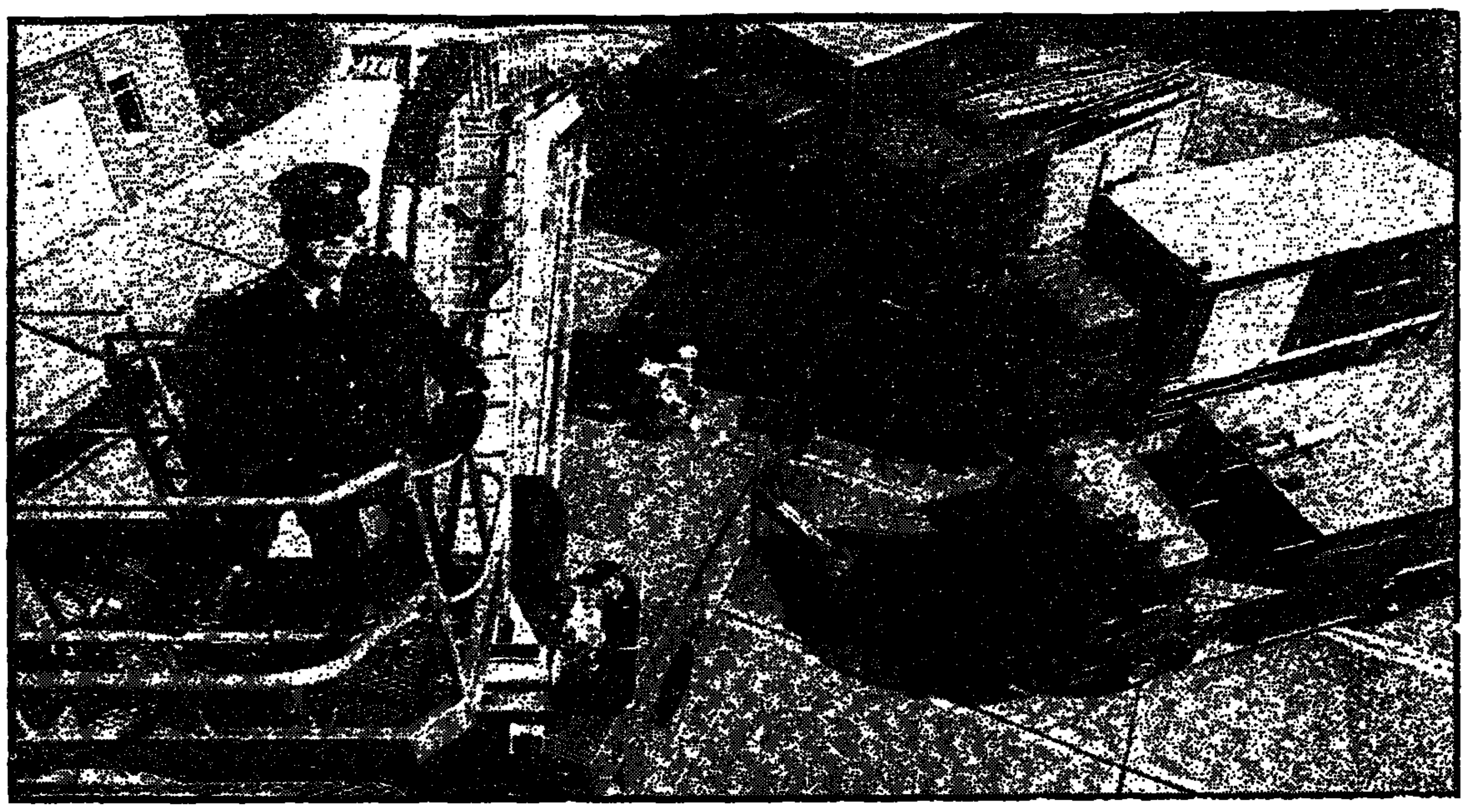
International Appointments

FINANCIAL TIMES SURVEY

Friday May 4 1984

PURPOSE BUILT VEHICLES

Specialist vehicles form a relatively small but important sector of the UK commercial motor industry. This survey outlines the major products and producers



▲ ABOVE

Firefighting equipment embraces one of the widest ranges of special vehicles. Here Assistant Divisional Officer Drawbridge of Sutton Fire Station stands on a raised Simon hydraulic platform on a Shelvoke chassis. Other vehicles are (left to right) Bedford fire control unit; Dodge hoselaying lorry; Dennis pump ladder; Dennis damage control unit; Merryweather foam unit on a Dennis chassis.

By Kenneth Gooding
Motor Industry Correspondent

THE PRODUCTION of special-purpose vehicles has provided a profitable oasis for many companies in the UK truck industry during the past few years as they trudged wearily across the desert in demand caused by the recession.

Even though demand from Britain's 480 local authorities—which provide most of the orders for purpose-built vehicles such as dust carts, fire engines, ambulances and the like—dropped sharply, there was still some profit in the business which remained available.

And there are indication that the drop in sales of special-purpose vehicles was not as severe as that the rest of the industry had to face.

Patterns are difficult to perceive, but it appears that demand for special vehicles followed a similar downhill route to heavy trucks in general.

In 1979, sales of trucks over 3.5 tonnes gross weight peaked in Britain at about 79,860. By 1981, when registrations plummeted to only 44,950, there had been a drop in demand of nearly 48 per cent. Even last year, when registrations eased back to 49,950, demand was still 37 per cent below the best level.

Compared with that, local government capital expenditure, which also reached its highest point in the 1979-80 financial year at £4.554bn, fell by 34.5 per cent to the lowest level, £2.981bn, in 1982-83. Last year it rose again to £3.974bn and was therefore only 12.7 per cent below the peak.

Mr John Churchill, chief executive of Shelvoke Dempster (formerly Shelvoke and Drewry), estimates that the market for refuse vehicles was as high as 1,300 four years ago but is now down to about 800 units annually. He believes that it will not fall any further, however—although it is extremely unlikely to return to the peak again.

While the central Government constraints on cash and local authority expenditure played the major role in the fall in demand, the fact that local authorities have become more efficient also has had something to do with it.

Local authorities have always had to develop expertise to be able to choose the purpose-built vehicles which best suit their area.

For example, the type of dust cart required for a small hamlet or a West Country village is very different from the specification needed in a sprawling urban area.

Local authorities

More recently, local authorities have also got to grips with the productivity of their vehicles and employees, utilising people and machines more efficiently. This has reduced both human workforces and the number of vehicles.

All this has not left the industry unscathed. Shelvoke Dempster, for instance, was employing 1,000 people four years ago and the total is now down to 350.

The company is part of Butterfield-Harvey whose accounts show that the "special vehicles and engineering components" division, of which Shelvoke is the major part, in the year to April 1981 saw a trading profit of £664,000 on a turnover of £27.83m. The following financial year there was a loss of over £2m while sales dropped to £21.3m.

Another indication of the impact of the recession can be gained from the Hestair accounts. Hestair's special vehicle business includes Hestair Eagle which makes the Phoenix refuse vehicles and fire engines and Hestair Dennis, the bus chassis producer. In 1981-82 the special vehicle operations made a £2.4m trading profit on a turnover of £36m. The following financial year turnover hardly moved, it was £36.7m, while the trading profit fell to £1.68m.

Hestair has suggested, however, that it has more problems in the bus division than with Hestair Eagle which has been working at full stretch.

Like Britian's heavy truck industry as a whole, the purpose-built sector had to contend not only with a sharp fall in domestic demand but also with huge problems in longstanding export markets.

Exports tended to go to English-speaking territories in Africa as well as the Middle East where countries now have either cut back because of reductions in income from oil, or have run out of foreign exchange to pay for imports of any sort.

This has increased competition in the special vehicles business—which has always been fairly intense because all the major truck manufacturers are involved in it along with smaller organisations like Hestair and Shelvoke Dempster.

Karrier, the Dodge-Renault organisation, for example, reckons that 40 per cent of its turnover is generated by its "Special Equipment Operation."

The majors try to use as many standard components as possible for "specials" and hardly ever turn down a potential order from a favoured fleet customer who asks for a run-of-the-assembly-line truck to be turned into a purpose-built one. The manufacturer simply does his costings very carefully and the customer can either pay up or decide the idea is too expensive after all.

Close co-operation

Truck manufacturers work closely with the body builders on the "specials" they produce—companies such as Boalloy, Arlington, Atkinsons or Buckingham (well-known for its sludge gulpers and tankers).

To give some idea of this part of the business, Boalloy last financial year produced 2,080 bodies, all of which were built to customers' specifications for use within the UK—"we never build vehicles for stock," the company points out.

Its customers list includes all the major rental companies, breweries, general hauliers, fruit merchants, canning and motor industry companies, all of which require different types of body specifications.

There is another level of the purpose-built vehicle business where some large dealers do their own "specials," all-wheel-drive conversions, for example.

The major truck producers recently have been feeling the effects of the recession on their purpose-built operations.

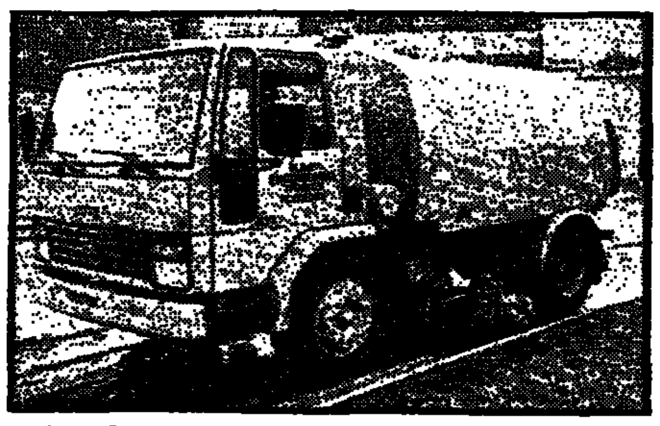
Bedford suggests: "There is not so much activity as the moment. When times were good and truck operators had money to spare, they would ask more often for a vehicle tailored specifically for a particular job rather than using one off the shelf.

"But carving up a chassis these days is a very expensive thing to do and an operator must have an extremely good reason to ask for it to be done."

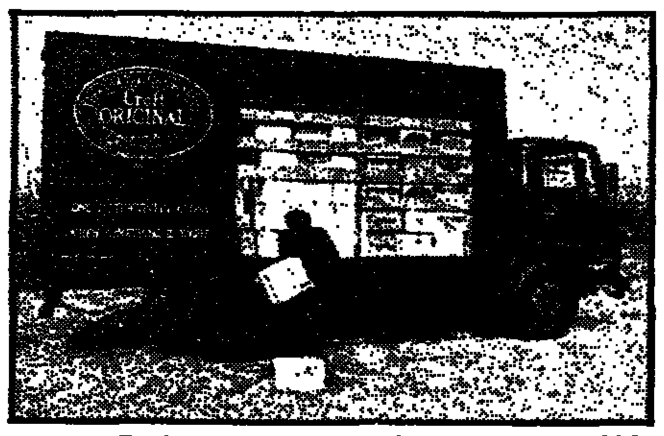
CONTENTS

Profile: Shelvoke	II
Profile: Boughton	II
Specialist operations ...	III
Profile: Hestair	III
Profile: Scammell	IV
Profile: Paccar	IV

PURPOSE BUILT VEHICLES II



This roadsweeper, complete with left-hand drive to allow the driver a clear view of the gutter, is based on a Ford Cargo and built by Lacre.



A G15 Karrier Commando—the lowest delivery vehicle on a conventional chassis—at IDV distribution depot at Harlow, Essex.

A Foden 6 x 4 tractor/triaxle heavy-duty logging combination.

British Airports Authority is using these specially modified Dodge 50 chassis cabs for handling passenger trolleys at Gatwick Airport.

Major force in the municipal truck market

Profile: Shelvoke

KENNETH GOODING

HARRY SHELVOKE and James S. Drewry met in the early 1920s when they were both working for the Lacre commercial vehicle manufacturing company in Britain's first Garden City, Letchworth, Hertfordshire. They worked together to produce a miniature truck that was highly manoeuvrable, easy to drive and cheap to run.

They built a prototype in a barn in their spare time. But Lacre was not interested. Shelvoke and Drewry moved down the road and set up their own production facilities.

At a time when small trucks were usually based on car chassis and the large ones were heavy and cumbersome, the little S and D Freighter was a remarkable innovation. It had a platform less than 2 feet from the ground, a turning circle of little more than 20 feet and a lively performance.

It made an ideal distribution vehicle because it was extremely easy to drive and had a foolproof gearchange. The Freighter helped oust the horse and pushed forward motorisation of a whole new field of transport.

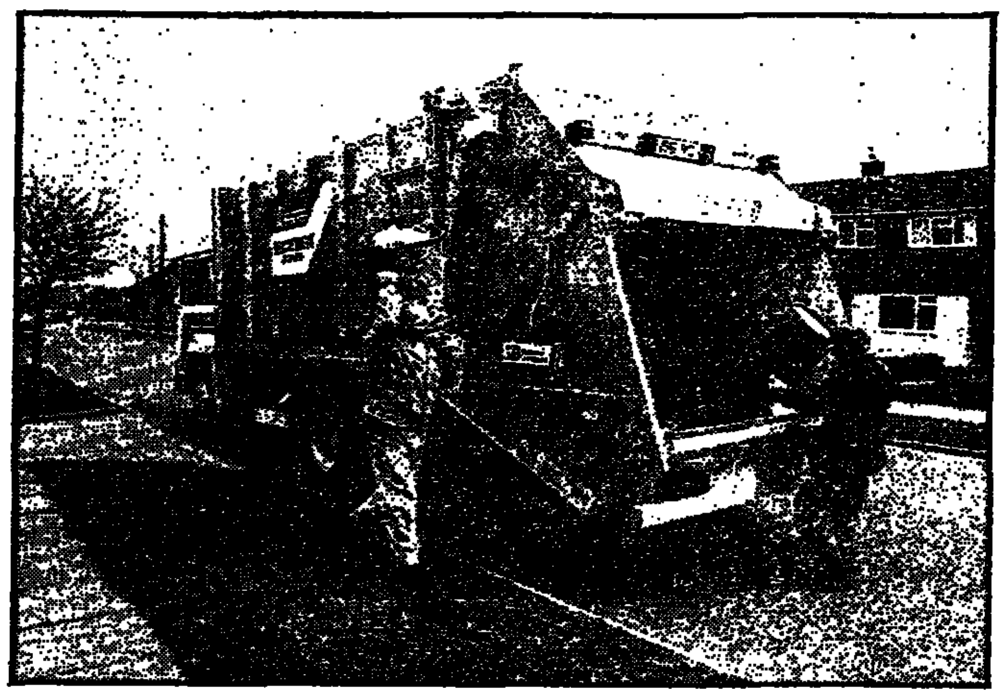
The Freighter's use as a general transport vehicle was relatively shortlived but it was adopted very early by municipalities for refuse collection.

Cost advantage

In their history of the company,* Nick Baldwin and William Negus recall that horses in the early 1920s cost £80 to £100 each when ready for work at the age of two to three years and would be capable of perhaps five years' labour. In spite of this cost advantage when compared with the Freighter—which was roughly five times more expensive—the local authorities inevitably found the S&D vehicle cheaper to run.

Eastbourne replaced two horses, carts, drivers and one loader with one Freighter, driver and two loaders and found daily collection costs dropped from £2 18s 4d to £2 2s 7d. Torquay found that Freighters cost 6s 2d per load and horses and carts doing the same work between 8s 11d and 10s 3d.

Local authorities continued to use the Freighter for refuse collection; it had a production run of 30 years and earned a small fortune for its inventors.



One of the Shelvoke Dempster Routechief Series 30 24-tonne refuse collection freighters currently undergoing demonstration tests with local authorities

Sixty-two years later, S&D as a company remains a major force in the municipal vehicle market. It is reckoned to have a 26 to 30 per cent share of municipal vehicle sales in Britain and about 5.000 S&D trucks are on the road.

But like many other long-established British companies, the recession of the early 1980s forced S&D to take a hard look at itself and the way it operated.

It had to restructure to cope with the severe decline in demand from the local authorities, demand which slumped by one-third in only four years and seems likely to stay at this reduced level for some time.

The company has restructured its manufacturing operations which over the years became sprawled over seven adjoining sites at Letchworth. It has now contracted to three sites.

There has been a complete change in the top management culminating in the arrival in January this year of Mr John Churchill as chief executive. He joined S&D after nine years with Sperry Vickers, latterly as director of operations, UK and France. He has previous automotive industry experience with Ford and Chrysler.

S&D's workforce has also been reduced drastically from the peak of more than 1,000 four years ago to 350 people.

S&D is by far the biggest subsidiary within the publicly-quoted Butterfield-Harvey group and the parent company's accounts give a clear indication of S&D's financial problems.

Sales dropped

The Butterfield - Harvey accounts show that "special vehicles and engineering components" in the year to April 1981 made a trading profit of £664,000 on a turnover of £27.83m. The following financial year there was a loss of more than £2m while sales dropped to £21.3m.

The accounts do not separate out S&D's profits/loss but record that it had sales of £22.1m for 1980-81 which plunged to £14.85m the following 12 months.

Butterfield-Harvey after the experience of those two years was left with a heavy burden of debt and sought a way of alleviating the pressure.

It turned to Technology Incorporated, the U.S. parent of another waste disposal vehicle supplier, Dempster TI agreed to inject £2m into S & D, via Butterfield-Harvey, by way of a loan convertible into shares of Butterfield-Harvey. There is also an option for Technology Incorporated to buy another £6.1m worth of Butterfield-Harvey shares, which, if exercised, would take Technology's stake up to 48 per cent.

The links between Dempster and S & D date back to 1981 and since then the UK company has been making some Dempster products under licence, mainly products for the collection of dry/solid industrial waste such as the Dempster Dumpster and the Dempster DumpMaster.

As a result of the latest deal, S & D now has the right to manufacture Dempster's advanced hopper for waste disposal vehicles.

To reflect the new association between the U.S. and UK companies, S & D's name has been changed to Shelvoke Dempster.

James Drewry won't be turning in his grave—he fell out with Harry Shelvoke and left the company as long ago as 1935 to join Hands Trailers. He died in 1952 aged 69.

A number of the Dempster hoppers have been imported for fitting to demonstration vehicles and to be shown to local authorities.

The Dempster hoppers are suitable for a number of vehicle configurations on 16 and 24 tonne vehicles. Mr Churchill claims that the trials by local authorities have shown them to have a higher legal payload than any rival.

Collecting refuse

S & D will spend about £100,000 to instal equipment to manufacture the Dempster hoppers at Letchworth. Mr Churchill points out that S & D deals with about 480 local authorities and many of them are looking for more efficient and cost-effective ways of collecting refuse.

But methods vary from one place to another and depend on such factors as whether the authority is collecting in a densely-populated urban area or from small villages.

By having the widest-available range of products, S & D should be able to increase its market share against competition which consists of Hestair Dennis, the Guildford company, and bodybuilders who assemble refuse collection vehicles on proprietary or S & D chassis.

S & D's other important asset in the current competitive conditions is that it owns eight depots around the country—at Bradford, Croydon, Exeter, Merthyr Tydfil, Manchester, Birmingham, Birtley (Yorks), and Glasgow as well as at Letchworth itself. As well as S & D-trained fitters and management, the depots offer such services as replacements for hire when vehicles have major repairs. There is also a hopper exchange programme where a reconditioned hopper can be installed in four hours to replace one that has been badly damaged.

Mr Churchill says the addition of the Dempster products will enable S & D to push for more industrial waste disposal business. And the company has already been broadening its base by offering chassis-cabs to the major fire engine builders and has been showing the military a vehicle based on its robust and rigid S & D chassis.

S & D, has recently sold some low-frame chassis to a soft drinks company. The chassis is only 24 in from the ground and saves delivery men some of the strain of reaching for heavy containers.

Mr Churchill maintains that S & D wants to work with Dempster to build up exports to about 50 per cent of S & D's turnover. Exports were not an important part of the business until the collapse of UK demand. Now the company is working to win sales in Scandinavia, the Far East and a number of developing countries.

He points out that productivity at the S & D factories has improved by 50 per cent in the past two years. The workforce is currently working a full five-day week on a single shift with selective overtime.

And it has reached the stage where it is beginning to recruit again on a selective basis, often from those made redundant during the recession.

*"*Kaleidoscope of Shelvoke and Drewry.*" *Warnes, 536, King's Road, London SW10, £7.95*

Diversification the group keynote

Profile: Boughton

JOHN GRIFFITHS

VEHICLES do not come much more purpose-built than those which emerge first in chassis form from the Winkleigh, North Devon, plant of Reynolds Boughton (Devon) before going on to be fitted with their bodies by companies such as Chubb Fire Security. They have a laden weight of 37 tonnes, a length of over 37 ft, six-wheel drive and nearly 700 bhp from the General Motors V16 diesel engine after of the rear axle which can propel the machine and its four-man crew from standstill to 50 mph in 39 seconds and on to a maximum speed of 60 mph.

It can also douse an entire Boeing 747 jumbo jet in protein foam in just over two minutes. Quite a few people at airports around the world already owe their lives to these machines. The trouble is of course that they have long operational lives—up to 15 years—and that total demand for them is inevitably small, certainly not enough to provide Reynolds Boughton with stand-alone revenue.

For that reason, production of the rapid intervention vehicle chassis forms just one part of the now highly diversified Boughton Group operations, which are headquartered at Amersham in Buckinghamshire.

Its other activities are spread over the manufacture of special bodies on the chassis of commercial vehicles produced by the volume makers such as Bedford for use in particular in the rigorous conditions of Third World markets. They include recovery cranes, mobile workshops, oilfield trucks, winches, tippers, tankers, water carriers, garbage compactors, demountable hook up and unloading systems and not least its own four-wheel drive utility vehicle.

Even then this remains a partial list, for Boughton is involved in several other engineering fields such as the manufacture of transmissions, North Sea oil equipment and construction equipment.

This proliferation of activities, plus some substantial military business in the Middle East about which Boughton is prepared to say little, has helped the group to survive almost intact the recessionary traumas since the start of the 1980s.

Reynolds Boughton, the group's vehicle division, is the largest contributor to the group's turnover and should account for about £10m this year, says its chairman, Mr Trafford Boughton.

The diversification has been highly deliberate, aimed at "hedging our bets" and maintaining adequate total markets over the past seven to eight years, he points out.

Shrinking markets

The moves have been well considered, for with much of its business export-based, Boughton has shared with all others in the vehicles and vehicles-related business the problems of shrinking overseas markets.

"Currently we are feeding off orders in ones and twos, which is indicative of just how far the market has fallen," observes director Mr John Andrews. But the diversification has meant that "for the moment, we are content to live on that. When the orders do come up again, we will be able to take advantage of them."

Indicative of the state of the market is production of Boughton's fwd vehicle, the RB 44. It is produced in a small factory in the village of Penn Street, and Boughton spent £200,000 developing it in the late 1970s. It is of 5 tonnes gross vehicle weight, with a payload of slightly over 3 tonnes. The factory was set up in 1979 and designed to be able to build 500 units a year.

The truck itself is simple in concept, using Ford "A" series cabs — of which Boughton has a stockpile following cessation of "A" series truck production — uses a ladder chassis and Boughton's own drive-transfer box. Shortly after its launch Mr Boughton said that with management and development overheads being spread throughout the group's business, "the RB 44 can be profitable at low levels of output, and its future production is not therefore likely to be discontinued because British or overseas sales fail to reach a certain minimum level of viability."

Test of time

That statement has stood the test of time, for the RB 44 is currently being built at the rate of only 40-50 a year, a level which, however, can be sustained.

"The ones we do make are quite profitable," points out Mr Andrews.

Their applications are diverse, with some used as the basis for fire-tenders, others for mobile workshops and a variety of other civilian uses.

However, with Mr Andrews expecting little early pick-up in civil markets, there is optimism that military business will expand for the RB 55, with the UK Ministry of Defence favouring it as a carrier for British Aerospace's Rapier missile system.

Mr Andrews says he believes the RB 44's selling point, apart from its sturdy construction, is that "no-one's got a vehicle of this size which is purpose-designed and built for heavy cross country work." There is a clear gap between Land Rover-type vehicles and heavier, full scale all wheel drive trucks such as Bedford's TM.

Currently, Boughton is also tendering for a contract requiring a version which can be run on rails as well as roads.

One of Boughton's more recent acquisitions is Devon-based Ferguson Tankers, acquired from Wadham Stringer two years ago. It produces a wide array of bodywork for road tanker transport.

There appears to be hardly an area in vehicle bodywork where Boughton is not in fact present. Trailers are manufactured by its Scottorn Trailers subsidiary. In particular, Scottorn produces powered axle trailers for use in soft or sandy conditions.

TTB (Frabrications), another subsidiary, specialises in custom built containers, including specially adapted ones for compacted garbage. Another subsidiary, Anchorpac builds and markets the compacting systems themselves.

The last two are linked with a third, Hearncrest, in which rapid loading/unloading systems for trucks have been developed.

It is in this area that Mr Andrews makes clear there could be big possibilities for Boughton. A truck developed by Boughton and fitted with the paletised load/unload system uses a single hydraulic arm to either pick up or unload a 16-ton pallet from its back, and at the same time can also haul a 16-ton trailer. The pick-up operation can be operated by just the driver, without leaving his cab.

The "pals" (paletised loading system) is seen as having major military applications, in that a single driver could deliver, across country using the all wheel drive truck, 32 tons of shells or ammunition which can be unloaded in a fraction of normal times.

Boughton has been working on the system with the British Army for seven years. But a few weeks ago it was being watched in operation by no less than 120 Army for seven years. But a few U.S. Army generals. "It has really opened their eyes," according to Mr Boughton, who is responsible for the original concept. U.S. military trucks tend to have a high vehicle weight relative to their payload, whereas the Boughton truck-trailer unit is carrying and pulling about three times the actual vehicle weight.

Loading system

When that is added to the speed of the loading system, the concept "is exciting to us on a world-wide scale," says Mr Boughton. "The U.S. Army goes in to equipment on a very big scale." And if, as he believes is likely, the Americans do opt for it, he says Boughton may have to consider a manufacture licensing agreement, as volumes may be beyond its ability to handle.

Overall, Boughton runs against the trend of the industry to buy in more components rather than produce them in-house. The company, which started in 1897 servicing Buckinghamshire's agricultural industry, has its own non-ferrous foundry and semi-automated fabrication and other facilities which, it points out, make it independent of outside help "except for raw materials and bearings." It is also in the process of acquiring computer-aided design equipment for its design team.

Armed with that, Boughton appears capable of applying itself to virtually any aspect of the purpose-built vehicle sector in which a market opportunity crops up.

Chubb Fire and Jaguar Cars jointly developed this rapid intervention fire vehicle in support of Richard Noble's successful world land speed record. Equipment includes a main protein foam tank with pressurised gun and Halon gas and dry powder system. It is now in use at Silverstone motor racing circuit.

Ready ear for customers' needs

ALL THE major truck manufacturers will lend a sympathetic ear when an important fleet customer asks if a vehicle can be adapted to do a particular job.

Customers expect to pay a premium for "specials" and before the order is accepted the manufacturer will always do his costings carefully to make sure that the business is profitable —which is more than can be said for a great part of the mainstream truck manufacturing operations during the past few years.

Karrier, the Renault-Dodge company now owned by Renault, believes it has the most sophisticated approach to this special business.

As much as 40 per cent of Karrier's turnover is generated by its Special Equipment Operation, which will look at any request from operators wanting special vehicles. So the SEO is extremely important to Karrier.

Karrier will turn out, via its SEO, *one-off special vehicles* or a whole fleet of them. Recent orders have included some for fire engine chassis, a "midi" but —half-way between a personnel carrier and a full coach—and a drawbar vehicle.

The usual process at Karrier is for that company to produce modified chassis and then it will liaise with body builders who complete the vehicle.

Ford, too, has an organisation, which it dubs Special Vehicles Operation, to develop base units for special body builder conver*sions. There is a long list of* specialist models developed by leading body builders on Ford chassis. They cover a wide variety of applications from roadsweepers to concrete mixers, from municipal welfare buses to money transporters.

Ford SVO, for example, produced a chassis suitable for a refuse collection vehicle which has special rear springs and a shortened rear overhang, ver*tical exhaust* and repositioned oil filter ready for a crew cab conversion to be fitted by an outside supplier.

Other SVO items Ford makes available on its Cargo range include automatic transmissions, low loader chassis, insulated earth return electrics for petrol tankers and various power take-off facilities for ancillary equipment.

Special operations

KENNETH GOODING

On the Transit van, Ford SVO offers special chassis for ambulances and uprated buses for policemen and their increasingly heavy gear. Special "*Explosave*" *fuel tanks* and bandit-proof windshields are also available.

Ford always tries to find as *many customers as possible for* an SVO option rather than just satisfying the first customer to ask for a "special." If the demand pushes volume high enough, the Special Vehicle Option can be changed to a Regular Vehicle Option.

Leyland also has its Special Vehicle Option organisation which offers modifications to vehicles on the assembly lines. But the changes must be chosen from the company's "special options" list.

Anything outside the special options list is dealt with at Leyland's "modification centres" at depots around the country. Custom-built vehicles are dealt *with at the depots at* Leyland, Lancashire, and Hull. It is at these establishments that Leyland produces such vehicles as snow ploughs and trucks with automatic transmissions for municipal work.

Leyland's subsidiary, Scammell, based at Watford, also makes *special*-purpose vehicles —nearly every one on the assembly line is a special— including military vehicles.

Bedford dealers send the company SVOs (Special Vehicle Orders) which are put together by SID (Special Installation Division) at workshops in the Dunstable plant.

Bedford, the General Motors' subsidiary, says that "quite a large element" of its truck building comes from SVOs.

SVOs can range from making minor modifications to a chassis as it makes its way down the assembly line, to the production of highly complex vehicles such as the brewers' truck Bedford recently turned out which had two steering front axles and back avle and a low loading height. Bedford brought the height down by giving the vehicle smaller wheels.

Volvo's production plant, which has been operating in Irvine, Scotland, since 1975, includes experimental shops and customising shops which produce vehicles to customers' specific requirements.

Volvo Trucks (Great Britain) regularly produces a number of "specials" including refuse vehicles for Scandinavia and *the CH230 truck for the Swiss* market, where local legislation insists that vehicles are much narrower than elsewhere in Europeand have higer power to weight ratios to cope with the twisting mountain roads.

Long history of success in export markets

Profile: Hestair

JOHN GRIFFITHS

WHAT IS now the publicly quoted Hestair group has within it one of the world's oldest commercial vehicle builders. The Dennis Brothers supplied their first commercial vehicle — to Harrods — almost exactly 80 years ago in 1904.

The operation survives, though in barely recognisable form, as Hestair Dennis. Today, its activities are completed by those of another subsidiary, Hestair Eagle, in terms of finished product such as the roadsweepers, garbage vehicles and other purpose-built trucks which are still finding their way into markets all over the world.

Hestair Dennis builds the chassis, Hestair Eagle the *specialist bodywork. Within the* past year another company has been brought fully within the Hestair fold—the coachbuilding firm of Duple International, now renamed Hestair Duple.

Thus the group has within its vehicle operations a very broad-based capacity to provide commercial vehicles in a variety of specialist forms, as well as buses and coaches. In the latter field Hestair Dennis recently won an *order from* the Greater Manchester Passenger Transport Executive for 50 bus chassis.

Considering the dismal state of the bus market, where the withdrawal of grants has cut back sharply on local authorities' ability to purchase—thus greatly intensifying competition between the two bus "giants" Metro Cammell and Leyland— Hestair Dennis has done well to capture a bigger slice of total *domestic* sales: Hestair Dennis sales were 50 per cent up last year on 1982.

At the same time its special purpose trucks, including the fire engines for which the Dennis name is perhaps best known, have tended to outperform the UK heavy commercial vehicles *market overall. Dennis'* sales last year were up nearly 18 per cent, at 509, compared with barely 10 per *cent total growth* as the heavy truck market began its still-slow climb out of recession.

Overall they helped push the Hestair *group's* turnover up last year to £89m from £69m, although the group's principal growth came from the consume products and office service divisions in which Hestair is also involved.

Hestair's chairman, Mr David Hargreaves, credits Hestair Eagle with the major advance on the vehicles side and acknowledges that despite healthy order books the Dennis operation is still experiencing difficulty in raising its output— a legacy of the cutbacks and other traumas associated with what has been the worst recession in the trucks market for over 30 years.

Much of the Eagle operation's success has been in overseas markets and in some pretty diverse ones at that. Its Griffon roadsweepers and Phoenix refuse collectors are in Kuwait, for example, while more recently it has made deeper inroads into Continental markets such as Holland and Belgium.

Like other companies in the purpose built vehicles market, Hestair's vehicle group's performance has been based on identifying very specific market niches and then attempting to *fill them—or in some cases* empty them, for one of Eagle's more successful products has been cesspit emptiers. It produces them in no less than seven forms, with capacities ranging from about 800 to 3,000 gallons—half a dozen of them in tipping versions.

It has also nearly a dozen variants on the refuse collection theme, its Phoenix models ranging from the very high *compaction 2M Series* with capacities up to 40 cu yds and payloads up to 12.3 tonnes.

Export successes have been achieved largely as the result of some intensive marketing by Hestair, with Mr Hargreaves spending much time away from the Guildford headquarters drumming up business, particularly in Far Eastern markets such as Hong Kong, Singapore and Malaysia.

That it paid off even during the depths of the recession is not in doubt.

For while many UK and Continental truck makers were involved in major capacity reduction and job-cutting exercises after 1980 as the recession's grip tightened, Hestair managed to keep much of its operation intact. For long periods the 1,000 workforce of Dennis and Eagle—they work together so closely that the companies are effectively one— not only avoided short-time working, but were on regular overtime.

Hestair has sought to offset the recession in export markets by installing permanent representation in those offering most potential. It has also been seen as a necessary way of countering the threat which Hestair thinks is increasingly posed by the Japanese.

Geared as the Japanese motor industry *is* to economies of *scale through* big production range, it has not hitherto offered any major challenges to Hestair outside of the bus market.

However, at least Hino, Japan's largest commercial vehicle makers, has been showing signs at last of paying attention to it and is venturing into fields such as fire engines and cesspit emptiers.

Underpinning the marketing effort, however, is the reputation that Hestair has built up over a very long period of time. Its exports business is not much younger than the company itself and it is still providing export and domestic markets with replacement parts for vehicles as much as 40 years old.

The long-term approach is also reflected in its workforce, where average length of service levels are high, doubtless encouraged by the non-hierarchical atmosphere encouraged at the plant where, for example —*unlike many traditional* UK industrial companies — management and workforce share the same refreshment facilities.

The slowly improving business climate for the group is reflected in the group's pre-tax profit of £1.31m in the year's first half, against £916,000 in the corresponding period of 1982. However, like all other companies in the field, Hestair expects that the continuing pressure on local authorities at home and the foreign exchange-starved markets of many Third World countries will combine to produce at best a slow and steady further recovery rather than any spectacular revival.

PURPOSE BUILT VEHICLES IV

BL member's hand strengthened in tougher world arena

Profile: Scammell

KENNETH GOODING

THE ONLY major truck manufacturing facility to be commissioned in Europe during the past four years has been built and equipped by a specialist vehicle producer.

The company is Scammell, Britain's state-owned specialist and military vehicle manufacturer which has 60 years of experience making and selling throughout the world vehicles for operation at up to 300 tonnes gross weight.

Scammell is an autonomous company within BL's Land Rover-Leyland organisation and it provides more evidence *that the specialist vehicle* sector can be profitable in the worst of times. Scammell has made a net contribution to the Land Rover-Leyland balance sheet over the past few years in spite of the recession.

Scammell's new facility, formally opened by Prince Michael of Kent last June when he drove a 100-ton Commander tank transporter off the assembly line, cost £2m which Scammell funded by *selling its eight-acre site at* Moor Park, a mile down the road from Watford where all its operations have now been consolidated. Moor Park was sold for £3.5m.

The new assembly facility has a capacity of up to 50 specialist trucks a week on a single-shift basis. Mr Vic Wilkes, Scammell's managing director, points out: "Our customers are relatively few and their needs are exacting. *This is where* Scammell's expertise plays its full part and where the production flexibility built into this assembly plant will be used to full advantage."

Scammell was able to make considerable savings when equipping the new Watford assembly facility. For example, a substantial part of the £1.5m it reckons to have saved was achieved by purchasing a moving floor *assembly track* and an *on-line* paint facility from their previous users, refurbishing them and then installing them in the new plant.

The assembly facility is only one part of Scammell's revitalisation programme. The company is already well into the launch of two new "rationalised" truck ranges called the S24 (bonnetted) and S26 (forward control).

The new models, designed like their predecessors to cover the full spectrum of vehicle types from 4 x 2 to all-wheel drive for operation up to 300 tonnes gross anywhere in the world, are being progressively phased in.

They will compliment the Nubian range of airport fire crash tenders and rescue vehicles launched by Scammell in the late 1970s.

Scammell benefits from the Leyland connection by getting *first-class cabs for the* new range (those used in the T45 and T43 Leyland ranges) rather than having to buy in and trim cabs itself. Scammell also buys many engines and axles from Leyland.

And by rationalising the design of its new products, Scammell has broadened its range and simultaneously benefited from the reduced costs available from buying and producing components in greater volume than was previously possible.

Scammell has also over the last three years significantly strengthened its sales and marketing organisation to more closely reflect market needs. In that period the company has generated a five-fold increase in export revenue (over £30m a year).

Export success

Its export success has been such that over 70 per cent of its output now goes to *overseas markets. The new* territories opened up in the past three years include the U.S. and countries in the Middle East, Far East and Africa. Three years ago exports accounted for only 25 per cent of Scammell's total production.

That is not to say that Scammell has come through the recession unscathed. It once employed more than 1,000 people—even more ten years ago when it used to produce trailers as well as trucks—but the total was down to 800 in January when Leyland announced a further 148 jobs would have to go at Watford.

Mr Wilkes says the military vehicle market in particular is becoming more competitive than ever before as Scammell's rivals outside Britain—companies such as Daimler-Benz and MAN in West Germany, Iveco in Italy, Renault Vehicules Industriels in France, Faun in Austria and Kenworth of the *U.S.—all* fight for business to help fill under-used truck production capacity.

Military involvement. The Scammell 100-tonne Commando tank transporter

Coping with winter on the roads. Foden snowplough to DoT specification

Assembly to suit the customer

Profile: Paccar

KENNETH GOODING

WHEN PACCAR, the builders of Kenworth and Peterbilt trucks in the U.S., bought the assets of the old Foden company for £18.3m in 1980, it aimed to test the concept it has successfully promoted in the States—that all trucks should be "purpose-built."

The company's truck building philosophy allows the customer to choose the exact specification he requires for any particular transport task.

Foden insist the concept is as applicable to general haulage trucks as to those involved in more specialist applications.

The company argues that by building trucks with the power-train combination, axle ratio, the exact chassis length, suspension, cab and ancillary equipment that is matched to a particular job, the vehicles will prove more durable, reliable and economical than "off-the-shelf" models.

To this end Foden offers what it claims is the most extensive range of "premium" component options available in the European truck market. This includes, for example, Cummins, Caterpillar, Gardner and Rolls-Royce diesel engines (with a power range of 230 to 400 bhp), Fuller and Spicer transmissions (also Allison automatic when specially requested) and Rockwell rear drive axles.

Foden also offers, among features which it has designed itself, the SIO corrosion-resistant composite cab available in day, single-bunk and double-bunk sleeper formats.

There has to be a starting point for the customer so Foden offers four base models: four and six-wheel tractor units and three and four-wheel rigids. Dealers help the potential customer add to or subtract from these base models to arrive at the "custom-built" truck best suited to the task it has to do.

In addition to these made-to-measure road vehicles, Foden also produces trucks which more easily fit the general description "purpose-built."

Motorway service

For example, it has supplied more than 250 snowplough-gritter motorway winter main*tenance vehicles to the Depart*ment of Transport in recent years.

The DoT provides stringent design criteria but Foden is used to this because it has a long history of providing vehicles for the UK Ministry of Defence—a business which has continued even though the company now has an American parent. About 1,300 Foden six and eight-wheel rigid "low mobility" logistic support vehicles are at present in military service. They are used as fuel tankers, cargo transporters, tippers and demountables.

The British Army also has a number of Foden three-axle, all-wheel-drive "medium mobility" gun tractors and limbers.

In spite of its relatively low volume of output—the company produced 630 trucks at its Sandbach, Cheshire, plant in 1983, down from 746 the previous year—Mr Charles "Chuck" Pigott, president of Paccar, has indicated that Foden is a profitable operation with a future he cautiously describes as "promising."

In particular, he believes the new lighterweight S10 trucks Foden has developed have considerable potential for the Middle East and Africa once demand from those territories picks up.

American and British engineers worked together on the new Foden range and Paccar might use the suspension system they developed in the U.S. as well as in Britain.

THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
4	5	6	7	8	9	10

Music

LONDON

London Philharmonic Orchestra, conducted by Klaus Tennstedt, with Jessye Norman, soprano. Wagner. Royal Festival Hall (Mon). (9283191).

Hardley Trio: Beethoven, Smetana and Brahms. Purcell Room (Mon). (9283191).

Philharmonia Orchestra conducted by Lionel Friend with Pascal Roge, piano. Beethoven, Handel and Mozart. Barbican Hall (Mon). (6388891).

Divertimenti String Orchestra and the Raglan Baroque Singers conducted by Nicholas Kraemer. Beethoven, Mendelssohn and Purcell. Queen Elizabeth Hall (Tue). (9283191).

Paul Roberts, piano: Debussy, Stravinsky and Ravel. Purcell Room (Tue).

English Chamber Orchestra conducted by Jeffrey Tate with Peter Donohoe, piano. Mozart. Barbican Hall (Tue).

Royal Philharmonic Society: Philharmonia Orchestra, Bach Choir and Choir of St. Paul's Girls School, conducted by Sir David Willcocks with Sarah Walker, mezzosoprano and Simon Preston, organ. Bach, Handel, Holst and Elgar. Royal Festival Hall (Wed).

Katia and Marielle Labeque, pianos: Brahms and Liszt. Queen Elizabeth Hall (Wed).

London Philharmonic Orchestra, in the presence of Queen Elizabeth. Frank Shipway, conductor and John Lill, piano. Wagner, Beethoven and Tchaikovsky. Barbican Hall (Wed).

English Chamber Orchestra, conducted by Jeffrey Tate with Mitsuko Uchida, Mozart. Barbican Hall (Thur).

London Philharmonic Orchestra, conducted by Klaus Tennstedt, with Heinrich Schiff, cello. Walton, Haydn and Bruckner. Royal Festival Hall (Thur).

PARIS

Tokyo Philharmonic Orchestra: Dvorak, Takemitsu, Shostakovich (Mon); Dvorak, Yashiro, Tchaikovsky (Tue). Théâtre des Champs Elysées (7234777).

Elisabeth Söderström recital. Roger Vignoles, piano: Schubert, Strauss, Tchaikovsky, Rachmaninov (Mon). Théâtre de l'Athenée (7426727).

Orchestre Colonne, conducted by Olivier Holt. Contemporary composers (Mon). TMP-Châtelet (2337280).

Ensemble Orchestral de Paris, conducted by Jean-Pierre Wallez, Henryk S. Eryne, violin: Philip Bride, 2nd violin: Haydn, Mozart, Beethoven (Mon). Salle Pleyel. (5610830).

Hossein el Masry, Arab lute (Mon), music from the Nile (Tue, Wed, Thur). 6.30pm. Théâtre de la Ville. (2742277).

Paul Klintz Orchestra and Choir, Anne Queffelec, piano: Beethoven, Schumann, Charpentier (Tue). Saint-Severin Church. (6336761).

Mozart. Michele Boegner, Jean Moullere playing piano and violin sonatas (Wed). Théâtre des Champs Elysées. (7234777).

Orchestre National de France and Radio France choir, conducted by James Conlon, Barbara Hendricks, soprano, Walton Gronroos, baritone: Brahms German Requiem (Wed, Thur). Saint-Denis Basilica, Metro Saint-Denis. (5241516).

NEW YORK

New York Philharmonic (Avery Fisher Hall): Gunther Herbig conducting, Peter Schreier, tenor. Mozart, Schumann, Bach, Britten (Tue); Erich Leinsdorf conducting, Yo-Yo Ma, cello. Shostakovich, Schmidt (Thur). Lincoln Center. (8742424).

Carnegie Hall: Dame Janet Baker, mezzosoprano with Martin Isepp, piano. Schubert, Mozart, Haydn, Mahler, English love songs (Wed); Oratorio Society of New York, Lyndon Woodside conducting, JoAnn Pickens, soprano, Stanley Cornet, tenor, John Shirley Quirk bass-baritone. Christ Church Boys Choir. All-Britten programme (Thur). (2477459).

Robert Secrist (Kaufman Hall): Guitar recital. Lauro, Ponce, Barrios-Mangore, Villa-Lobos (Wed). (92nd St Y (4274410).

WASHINGTON

National Symphony (Concert Hall): Rafael Frühbeck de Burgos conducting, Ellen Shade soprano, Brenda Boozer mezzosoprano, Jerold Norman, tenor, James Courtney, bass-baritone, Lambert Orkis, piano. University of Maryland Chorus. All-Beethoven programme (Tue, Wed mat, Thur). Kennedy Center (2543776).

CHICAGO

Chicago Symphony (Orchestra Hall): Claudio Abbado conducting, Rudolf Serkin, piano. Beethoven, Ferneyhough, Dvorak (Thur). (4358122).

WEST GERMANY

Frankfurt Alte Oper: The Alban Berg quartet plays Mozart and Schubert (Tue); The Boston Symphony Chamber players and soprano Jan de Gaetani with Bach, Mozart and Beethoven (Wed).

Berlin, Philharmonie: The Berlin Philharmonic Orchestra conducted by Zdenek Macal. Smetana (Thur).

ITALY

Rome: Auditorium di via Della Conciliazione: Debussy conducted by Georges Pretre. (Mon and Tue). (6541044).

Rome: Teatro Ghione, Via delle Fornaci 37: Debussy. Luisa Preyer, piano. (Thur). (6372294). Ensemble plays Scott Joplin (Wed). (393304).

Naples: Teatro San Carlo (as part of International Music Week): Royal Philharmonic Orchestra directed by Antal Dorati. Walton, Beethoven and Tchaikovsky (Tue, Wed and Thur). (425708).

VIENNA

Vienna Symphony Orchestra: conducted by Horst Stein. Hindemith and Bruckner. Musikverein (Wed and Thur).

Vienna Hofburg Orchestra: conducted by Gert Hofbauer. Viennese waltzes and operetta. Konzerthaus (Thur).

Opera and Ballet

LONDON

Royal Opera, Covent Garden: The interestingly-cast revival of Così fan tutte, with six newcomers to their roles in this house, is let down by the condition of crude farce into which the John Copley production has declined; and even more seriously by the erratic technical control of Christoph Eschenbach's conducting. Britten's Midsummer Night's Dream, not seen in this house for several seasons, returns with an attractive young cast, almost all entirely fresh to their roles (Marie McLaughlin, Yvonne Kenny, Claire Powell, Robin Leggate, Jonathan Summers, Stafford Dean as Bottom) but led by the long-familiar Oberon of James Bowman; Roderick Brydon conducts. (2401066).

English National Opera, Coliseum: The new production of Verdi's Sicilian Vespers, though rather lowering and monotonous to the eye, is in the main a gratifying success, in which the conducting of Mark Elder and the singing and acting of Nell Howlett and the lustrous Rosalind Plowright play an especially significant part. The Magic Flute, in Anthony Besch's lovable production, returns with Rowland Sidwell, Valerie Masterson, and Wyn Davies as conductor; last performance of the Rosenkavalier revival led by Josephine Barstow, a Marschallin not to be missed. (8363161).

PARIS

Massenet's Werther conducted by Georges Pretre in Florence's Teatro Communale production, with a superbly sung title role by Alfredo Kraus, admirably partnered by Lucia Valentini-Terrani as Charlotte, Gino Quilico as Albert and Christine Barbaux/Marie-Christine Porta as Sophie; alternates with Mussorgsky's Boris Godunov, conducted by James Conlon, with Nicolai Ghiaurov in the title role, Martin Mahe as Fiodor and Marie-Christine Porta as Xenia, at the Paris Opera. (7425750).

Cimarosa's Secret Marriage conducted by Cyril Diederich in Cologne Opera's production with Carlos Feller Michel Trempont as Geronimo and Michele Lagrange as Elisetta at the Opera Comique-Salle Favart. (2960611).

NEW YORK

American Ballet Theatre (Metropolitan Opera House): The eight-week spring season of Mikhail Baryshnikov's company includes an all-new Cinderella, choreographed by Baryshnikov and Peter Anastos. Other season premieres include works by Twyla Tharp and Martine van Hamel. Natalia Makarova's new staging of Paquita and company premiere of Sir Kenneth MacMillan's Triad. Company favourites in the repertory include Swan Lake and last year's premiere of August Bournonville's La Sylphide. Lincoln Center. (5809830).

WASHINGTON

Metropolitan Opera (Opera House): The hundredth annual spring tour brings a fortnight's programme of seven operas, including Francesca da Rimini conducted by James Levine with Renata Scotto and Placido Domingo; Rinaldo, conducted by Mario Bernardi with Marilyn Horne in the title role; Thomas Fulton conducting Ernani with Ermanno Mauro in the title role and Jon Vickers in the title role of Peter Grimes conducted by David Atherton. Kennedy Center. (2543776).

WEST GERMANY

Berlin Deutsche Oper: Tosca has Eva Marton, famous for her rendition in the title role, and Giorgio Lamberti. Die Entführung aus dem Serail features Karin Ott and Bengt Rundgren in the main roles. Der Troubadour is produced by Herbert von Karajan and brings together Peter Gugalov, Carol Wyatt and Stefania Kabaivanska. (34381).

ITALY

Bologna: Teatro Communale: Lucrezia Borgia with Katia Ricciarelli conducted by Gabriele Bellini. (22 2999).

Rome: Teatro dell'Opera: Parsifal conducted by Wolfgang Rennert and directed and designed by Pier Luigi Pizzi with Sven-Olof Eliasson and Gabriele Schnaut. (461755).

Verona: Spettacolo di Balletti with the Corps de Ballet of the Arena of Verona. (23 880).

VIENNA

Aida conducted by Lorin Maazel with Vergara, Chiara, Vance, Seiris, Pavarotti; Salome conducted by Hollreiser with Armstrong, Hesse, Slania; La Cenerentola conducted by Zedda with Holm, Hintermeier, Balsa. Staatsoper. (5324/2655).

BRUSSELS

Marriage of Figaro directed by Sylvain Cambreling with Felicity Lott as the Countess. Theatre Royale de la Monnaie.

XXth Century Ballet, choreography by Maurice Bejart, with Messe Pour Le Temps Futur. Cirque Royale.

Vienna comes to Washington

The 200th anniversary of Austrian-American relations brings the Vienna Volksoper to Washington for a fortnight's engagement. The renowned troupe is coming with three sumptuously staged operettas: Die Fledermaus, The Merry Widow and Czardas Princess. The 14 performances open on Tuesday with Emmerich Kalman's Csardas Princess, a lusty tale of everlasting love set to Hungarian folk music. Strauss and Lehar's works will have five performances each in the seven-performance-a-week schedule that includes matinees on Saturday and Sunday. This U.S. debut of the Vienna Volksoper is done under the patronage of the Austrian Minister of Foreign Affairs and the Minister of Education to commemorate the first known friendly contact between the two countries This dates from a letter Benjamin Franklin wrote to Kaiser Joseph II in 1784. Ends May 20. Opera House, Kennedy Center. (2543770).

FRANK LIPSIUS

Theatre

LONDON

Loot (Ambassadors): Leonard Rossiter is a wonderful Truscott in Jonathan Lynn's enjoyable revival of Joe Orton's farce in which a leading role is played by a mummified corpse. The versatile Gemma Craven plays the Irish nurse who is open to offers and party to crime. (8361171).

The Aspern Papers (Haymarket): Vanessa Redgrave and Wendy Hiller give superb performances in Michael Redgrave's 1959 version of Henry James's story. The inquisitive scholar who descends on their Venetian palazzo is played, ponderously, by Christopher Reeve. (9309832).

A Streetcar Named Desire (Mermaid): Sheila Gish gives the performance of her life as Blanche Dubois in Alan Strachan's excellent revival, first seen last year at Greenwich. Tennessee Williams's emotional roller-coaster of a play amounts to one of the best evenings in town. (9306123).

Little Shop of Horrors (Comedy): Campy off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm, a full-blown performance from Ellen Greene and an exotically expanding man-eating prickly plant. (9302578).

Pack of Lies (Lyric): Judi Dench in a decent, enthralling play about the breaking of a spy ring in the suburban Ruislip of 1959-60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Clifford Williams. (4373686).

The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (8362660/4143).

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (2396262).

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaite Parisienne, but the intimate moments borrowed direct. An innocent celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (9779020).

42nd Street (Majestic): An innocent celebration of the heyday of Broadway in the '30s incorporates the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (9779020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (9449450).

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (2396200).

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (2460246).

Noises Off (Brooks Atkinson): Dorothy Loudon brings Michael Frayn's backstage slapstick farce to Broadway in Michael Blakemore's production that includes Brian Murray, Paxton Whitehead and Victor Garber as her backstage conspirators. (2453430).

CHICAGO

E. R. (Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (4963000).

BRUSSELS

The School For Scandal by Sheridan, directed by John Barton and starring Donald Sinden, Dulcie Gray and Googie Withers, is presented by the British Council at Passage 44.

TOKYO

Cats (Cats Theatre). The specially built tent theatre, excellent set, good dancing and Kabuki-originated movement all make the Japanese version worth seeing. Shiki company, directed by Keita Asari. (3201001).

Kabuki: Mumazu, Sonezaki Shinju or Double Suicide at Sonezaki (Kabuki-za). One of Chikamatsu's most famous plays based on a true incident. English programme details, simultaneous earphone commentary. (5413131).

Kabuki: Go-hiki Tsunagi Uma, or Pulling the Tethered Horse (Meiji-za). This production is reputed to have cost Y10m (£44,000) and tells the story of a man who disguises himself as various warriors, and a spider in order to avenge his father's death. (6675151).

Exhibitions

LONDON

The Tate Gallery: the Pre-Raphaelites. The extraordinary revival of interest of Victorian art in recent years, and its consequent rise in value, has made a proper critical re-evaluation long overdue; and now, with this copious and quite splendid exhibition, the subject is wide open. What had for so long been taken as merely a close and limited movement is clearly shown to be not so except in its earliest year, but rather a looser association of more general relevance. Millais, Maddox Brown, Holman Hunt, Rossetti and Burne-Jones all gain by the chance to be seen on their individual merits, and so emerge as substantial and consistent artists in their own right. The history of British art will never read the same again. Ends May 28.

PARIS

Camille Claudel: 70 sculptures accompanied by paintings, drawings and engravings prove the individuality of Rodin's pupil who, through her realism and, later on, a sense of the theatrical, found her own way. Musée Rodin. Closed Tue. Ends June 11 (7050134).

Pierre Bonnard: an important retrospective of the painter whose canvases filled with colour and light glorify the beauty of the human body as he painted time and again Marthe, his wife, at her toilet, in her bath. His Mediterranean landscapes radiate the same joyous love of nature. Centre Georges Pompidou (2787995). Closed Tue. Ends May 21.

Masterpieces of American Painting 1760-1910. More than 100 paintings – among them Whistler's Mother, Sargent's Madame X and Mary Cassatt's Impressionist work – span 150 years of American creation. The panorama of realistic portraits, dramatic landscapes, genre scenes and symbolist paintings culminating with Homer and Eakins and proves abundantly that the New World did not have to wait for the contemporary period to affirm a powerful identity of its own. Grand Palais (2615410). Closed Tue. Ends June 11.

NEW YORK

Mark Rothko (National Gallery): 66 works on paper by a leading contemporary American artist begin a national tour with this exhibit in the East Building. The highlights are vivid watercolours from 1968 and 1969, a period when Rothko's canvases were already tinged with the sombre browns, blacks and greys that anticipated his suicide in 1970. Ends August 5.

Painting in the South (National Academy of Design): Nearly four centuries of work from the American South in 110 paintings include Charles Willson Peale, Winslow Homer, Edward Hopper and Arshile Gorky. Starting with a watercolour, Indians Dancing Around a Pole, from 1585, the show covers the gamut of genres from seascapes and landscapes to portraits and modern works to 1980. Ends May 27.

WASHINGTON

German Expressionist Sculpture (Hirshhorn): This is the first comprehensive look at works in plaster, bronze, wood and porcelain from the first two decades of this century in Germany. Included in the show of 33 artists and 120 sculptures are Max Beckmann, Emil Nolde, Wilhelm Lehmbruck and Ernst Barlach. Ends June 17.

NETHERLANDS

Hans Koper: An exhibition of the ceramics of this Dutch artist and craftsman, who died in 1981, can be seen at the Museum Boymans van Beuningen, Rotterdam, until May 20. Koper was well known in England, and the display is arranged in co-operation with the British Council and the Sainsbury Centre for the Visual Arts in Norwich.

TOKYO

Gandhara Art of Pakistan. Seibu Museum of Art displays 140 of the most important works from major museums in Pakistan, including Buddhist sculpture, metalwork and daily objects. Ends May 6.

German Expressionist Painting, Kamakure Museum of Modern Art. Part of the Buccheim Collection currently on tour includes works by 20th century German artists Karl Schmidt-Rottluff, Otto Müller, Max Beckmann, Otto Dix, Lionel Feininger. Ends May 6.

ITALY

Rome: Casino dell'Aurora: A curious exhibition of instruments of torture dating from the Middle Ages until the beginning of the last century. Worth a visit more for the site (especially the fresco by Guido Reni from which the "Casino" takes its name) than for the contents. Until May 31.

BRUSSELS

Treasures for the Table: Gold and silverware, porcelain and glass from Vienna, Paris and Brussels, including part of the solid gold service made for the Empress Maria Theresa and Louis XV's Sèvres service offered to her to commemorate the Franco-Austrian alliance. Credit Communal Passage 44 until June.

WEST GERMANY

Cologne, Wallraf-Richartz-Museum, An der Rechtschule: Fifteen paintings by six Dutch masters of the Utrecht school of painting dating from the 17th century, on loan from the Utrecht Zentralmuseum. Ends May 20.

Essen, Villa Huegel: the former residence of the Krupp family, now an arts centre, presents treasures from Peru – among them more than 500 priceless exhibits never shown before outside the country. The 800 artefacts, from 2,000 BC, beautifully document Peru's cultural development. Ends June 30.

VIENNA

Out Of Steppe and Oasis: A colourful exhibition of treasures from the high desert plateaus of Turkestan, the heartland of Central Asia, stretching from China to the Caspian Sea, many brought back by 19th-century Viennese travellers. A display of artistic skill applied to household articles and clothing, carpets, saddlebags and especially jewelry, that a nomadic people could carry with them on their camels. Museum of Ethnology (Völkerkundemuseum). Until April 30.

Cinema/Nigel Andrews

Warmed by the after-glow

Secret Places, directed by Zelda Barron
The Gold Diggers, directed by Sally Potter
The Dead Zone, directed by David Cronenberg
The Mission, directed by Parviz Sayyad
The Trouble with Harry, directed by Alfred Hitchcock
The Tragedy of Carmen, directed by Peter Brook

Tara McGowran and Marie-Therese Relin in "Secret Places"

No other national cinema turns out nostalgia in the quality or quantity of Britain. In our post-imperial kitchens, we roll it out like pastry and bake it golden-brown. The question is: is it good for us and should we eat it? And if we do, is it better sweetened with romance and heroism *(Chariots of Fire, The Far Pavilions)* or salted with historical self-criticism (the colonial knuckle-rapping of *Gandhi, Greystoke, Jewel in the Crown)*?

It's hard for a country that has only lately slipped down the league table of world power not to keep harking back to its greatness. One possible reason why Britain has never had as forward or innovative a movie tradition as countries like America or France or Italy is that the birth and growth of cinema as a medium have had the ill luck to coincide almost exactly with the decline and fall of Britain as a power. So by chance association it's a blighted art for us: the recording angel of our downfall.

And in our period movies we still cannot decide if we should like our past or hate it, love it or leave it: an ambivalence that split *Gandhi* right down the middle and infected with hesitancy the Suez-Falklands dialectic of *The Ploughman's Lunch.*

But Zelda Barron's *Secret Places*, instead of trying to encompass a whole chunk of home-grown history, homes in tiny fragments and opens up whole new possibilities. We're in a girls school in wartime England, where the new German pupil (Marie-Therese Relin) — whose mournful aloofness is construed by her fellow pupils as superciliousness — feels the full clout of anti-Teuton prejudice and of that strange defensive solidarity (shading into xenophobia) that grew into the post-imperial British way of life.

The film, based on a novel by Janice Elliott, is magically exact. The bleached whites of the photography and the funny, tartly idiomatic script whisk it straight out of the forever-amber style of period movie, and the title motif of "secret places" spreads out to colour a whole network of different meanings. It's the recesses of the heroine's heart, including a more than sisterly yearning for her Luftwaffe-serving brother. It's the giggling cabalism of the girls' first flirtings with sex: the excited chat sessions in the dorm or in the windy rhododendron clearing where bubbleblonde Nina (hilariously played by Cassie Stuart) sets hopeful snares for a first lover. It's the forbidden zone of the German PoW camp being built in the school's arboretum. And it's the border-land between Platonic and physical love anxiously trespassed by Fraulein Relin and her best friend (Tara McGowran).

The movie is acted to the subtle hilt, not only by the youngsters but by Sylvia Coleridge as the gnarled and bat-eyed "Miss Trot" and Claudine Auger as the heroine's aloofly tippling Mum, a grande dame fallen on the Grand Marnier. The film is composed with a real cinematic eye for polymorphous detail and atmosphere: and it suggests there's a history of Britain — an inner emotional history — still to be written, that's undreamt of by all the costume epics or the last reveilles for the Raj.

*

The Gold Diggers is also written and directed by a woman, Sally Potter, and also panhandles for truth in a different part of the historical landscape. Viz, while men have been empire-building and world conquering (or world-losing), where have women been? The change of direction is bracing, but the movie, alas, is not. It's a freezingly abstruse allegory in black-and-white, starring Julie Christie and Colette Laffont searching for gold literal and metaphorical — the gold of male money-making, the gold of the female soul (and also the gold of cinema history) — from the Frozen North to the London Stock Exchange.

The film is about as invigorating as a sock on the head with a frozen trout. However, it does have the merit of spearheading a good season of related movies at the National Film Theatre, all chosen by Miss Potter as having influenced her own film. Titles include *The Gold Rush, Way Down East, The Red Shoes, Persona* and the incomparable *Lola Montes.*

*

The Dead Zone begins hypnotically, continues hopefully and ends by shading into the pottily predictable. Like its psychic hero Christopher Walken, who surfaces from a five-year coma after a car crash to discover he can foretell and change the future, I too discovered I could foretell the future midway through this thriller by David *(Videodrome)* Cronenberg: but unfortunately I couldn't change it. As soon as power-seeking politico Martin Sheen appeared, barking gale-force pledges from his whistle-stops, I recognised that here was a button-happy nuclear nutter and aspiring President whom Walken would set out to save mankind by assassinating.

Ditto with several other "twists" in this celluloided Stephen King chiller, which rather than telling one direct and vivid tale dashes from subplot to subplot, each illustrating Walken's powers, like a man running madly across country to catch a train he missed at the station. As ever with Cronenberg, the film starts out with all special effects blazing—a superb early scene in which the hallucinating Walken's hospital bed is cross-cut in eyeblink flashes with the cot in a child's burning nursery (it's the nurse's child)—and then suffers the curse of diminishing returns. Walken, however, that stricken Yorick among Hollywood actors, is excellent throughout.

*

Parviz Sayyad's *The Mission*, a German-American co-production written and directed by an Iranian, pushes a clever little political thriller plot out on to the high seas of the wide cinema screen, where unfortunately it capsizes. You cannot fill that oceanic rectangle merely with makeweight bits and pieces, as Sayyad does here, as his young Khomeini-regime assassin (Houshang Touzie) wanders the flatly photographed parks and bed-sits of New York seeking the Iranian Colonel and former Shah-server (Sayyad himself) he's been told to bump off.

There are cunning little tweaks in this tale. Our assassin is only sent after the Colonel when his first intended victim is assassinated by someone else (on TV before his very eyes), and in his first meeting with his new quarry he inadvertently saves him from a mugging and earns his copious friendship and a dinner invitation. His trigger finger understandably hesitates, even when the Colonel's daughter screams at him across the coffee for his support of Khomeini. Will he assassinate? Or will he abdicate, thereby incurring his own likely assassination?

But Sayyad apart, a jolly bearded bear with a look of shocked innocence, the acting is basic and the dialogue and camerawork ditto. You have to relish the film in rags and snatches, and hope that Sayyad can sew these into a better whole in his next film.

*

The latest find in the Alfred Hitchcock "dig" is *The Trouble With Harry*. It comes up from the stratum marked 1955, covered with playful earthworms and fragrant mildew. This black comedy, set in an autumn-russet New England, merrily spins John Forsythe, Shirley MacLaine, Edmund Gwenn, Mildred Natwick and others around a corpse (Harry) who won't stay dead and buried. Found horizontal in the woods, is he a victim of murder, accident on natural causes? Hitchcock won't tell us till the end (even though he walks through the film early on, a stately, suited balloon). But en route the film is frisky and fruity if not quite vintage.

Peter Brook's *La Tragédie de Carmen* is the latest falling rock in the avalanche of *Carmens.* If you have survived Godard and Saura with only minor injuries, you'll probably survive this one. Hélène Delavault and Howard Hensel are the Carmen-Jose team at bay amid Georges Wakhevitch's crumbling-masonry sets and Sven Nykvist's photography, as pointillist as a sandstorm. "Opened out"—but not much—from Brook's famed Paris stage production, it's vivid, controversial and tunesome.

A Chorus of Disapproval/Scarborough

Martin Hoyle

It is Alan Ayckbourn's Silver Jubilee at the Theatre in the Round. In 25 years his 31 Scarborough-originated plays, not counting the odd musical, have added to the gaiety of nations. Last year what is doubless locally known as *Bedloom Farce* was even performed in Cantonese.

While not as black as some *recent work*, his latest comedy is an uncomforting look at provincial greed, lechery and deviousness; and an affirmation of that old Ayckbourn belief in the destructiveness of good intentions.

These are embodied in Guy, an innocent newcomer to an amateur light operatic society who, through the turbulence inherent in all artistic organisations, ends up a bemused lead in *The Beggar's Opera*, having been taken on for a one-line part. His well-meaning passivity leads him to entanglements with two married women (compare Macheath), unwilling contact with shady business deals and the betrayal of a friend.

His disastrous progress through local society has its *quota of Ayckbourn moments.* Vintage misunderstandings irradiate a dinner party where a "swinging" married couple prepare to introduce the unsuspecting hero to the wife-swapping set.

Stylised comment is provided when characters freeze in mid-scene, lights dim, and others come on to sing pointedly appropriate excerpts from *The Beggar's Opera.* Gay's bouncy astringency works well. I suspect that Ayckbourn, as so often, is hovering on the brink of savage satire while nervous of losing his clown's public.

To this devoted Ayckbournite the play seemed both diffuse and insubstantial, a warm-up for a full-blooded comedy that never materialises. But the author manages one memorable creation: the opera's producer is floridly theatrical and exhaustingly Welsh. At first glance Dafydd ap Llewellyn is a cheerily crass Ayckbourn bully, steamrolling both his wife (shades of *Just Between Ourselves*) and associates with varyingly amiable insensitivity. Russell Dixon seizes all opportunities as this shady solicitor, all quickly-punctured swagger and easily hoodwinked self-assurance. He is unforgettable urging the local ladies to put more gumption into their dancing. "These are all hoeers and pimps! Sell us your body, Linda!"

The author directs smoothly on the theatre's double-revolve, and the cast play beautifully together like the company they are. Lennox Greaves evokes Guy's good-natured ineffectualness with the look of a young Dirk Bogarde, and Alwyne Taylor's put-upon housewife revealing a grasping streak does justice to a new, if increasingly pessimistic, complexity of characterisation that implies bile beneath the belly-laugh.

Beethoven/Festival Hall

David Murray

Claudio Abbado's Beethoven cycle with the London Symphony had its conclusion on Wednesday night, again with Maurizio Pollini as soloist. It has been an uneven cycle, certainly, with a marked gap between the best, *fully* persuaded performances and some that were no more than smooth (not always that!), honest and well-intentioned. The very clarity of Abbado's work leaves his uncertain moments exposed, though it also gives an exciting edge to his sharpest conceptions. Let's remark that there are thousands of places in the world where this cycle would have been a continuous musical revelation; that where Abbado is further from a Furtwängler or a Klemperer is also where he is most attuned to the present musical temper, preferring linear energy and concision to romantic breadth and majesty; and that he has disdained any flashy tricks or personal twists that would have guaranteed *cheap thrills and/or good copy.*

Wednesday's concert began with a fairly searching but temperate *Leonore no. 2.* Carefully laid out, in clean orchestral colours; dramatic thread not drawn very taut. In the "Emperor" Concerto *Pollini*, who has contributed mightily to the cycle, gave an imperial performance. Making successive entries at weightier tempi than the just-preceding orchestral music—an imperial prerogative—he was the hero and the anchor of the work, brilliant fingers complementing an objective reading on a large scale.

A special kind of controlled urgency is an Abbado hallmark, and I thought there was too much of it in the introduction to the Seventh Symphony for the good of the main movement, which arrived without a *sense of new quickening.* The Allegretto was predictably swift, too cautiously explored. Breaks between movements were suppressed; we hurried on to a wonderfully light, suggestive Scherzo, and directly into an exuberant Finale—no forcing, but terrific attack and impetus.

Record silver price

Antony Thorncroft

Sotheby's yesterday held its most important silver sale for many years, with a total of £2,045,951; just 1.25 per cent *bought in; and a world auction* record price for a single item of silver—the £484,000 paid for the Shield of Achilles, or rather one of four shields made in the early 1820's to the designs of John Flaxman.

It was bought when new by the Duke of Northumberland and the present Duke sold it *yesterday among a collection of* his silver which realised £942,139. The shield was bought, as were many of the top lots, by two London dealers bidding together, Armitage and Koopman. It is quite possible that the eventual owner of the shield will be the Arab collector Al Tajir who has been a very heavy buyer of expensive silver recently.

The shield went for well over double the top pre-sale forecast, as did the auction generally, producing a record total for a single silver session. Armitage and Koopman paid £286,000 for a pair of George III silver gilt sideboard dishes designed by Thomas Stothard and made by Paul Storr and £121,000 for a pair of George IV silver gilt double wine coaster wagons *which in 1963 had sold* at Christie's for £5,200.

A very rare Mary Tudor silver *gilt* casting bottle, found by chance in a south coast antique shop, went to Shrubsole and S. J. Phillips for £110,000. This may be destined for a foreign owner and no doubt attempts will be made to keep this exceptional object, used to perfume the hands after meals, in this country.

Another Duke was a seller yesterday. The Duke of Leinster disposed of a collection of 27 *freedom boxes*, and associated items from the 18th century for £225,065. They were given by Irish towns to the Fitzgerald family in return for hoped for favours.

The top price *was £35,000 for* a box given by the City of Limerick in 1775 complete with its freedom paper, and £26,400 for one from the City of Dublin of 1714. Both went to Armitage and Koopman.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Friday May 4 1984

Collaboration in defence

AT LAST, eight Nato nations have agreed to sign a memorandum of understanding to finance joint studies for a new warship for the 1990s. They have thus ended, at least for the time being, an episode which not only created bitterness between the U.S. and its European partners but also seemed to threaten the future of multinational arms production as a whole.

This week's go-ahead for the Nato frigate study follows a decision by Mr Caspar Weinberger, the U.S. Secretary of Defence, to overrule objections to the project from within the Pentagon itself, as well as outside pressure groups. The project is a small one, and still in its early stages. Yet in a few short weeks it has become both a test case of the viability of collaborative arms manufacture within the Western alliance, and an illustration of the problems involved in such a policy.

At this stage the project involves only some $15m (£10.7m). *This is to be spent* over the next 15-18 months by a joint venture company, involving industries from each of the eight nations, in determining the feasibility of co-producing a 3,000-3,500 ton warship. No government is yet committed to endorsing an actual frigate, no national industry is committed to build or equip such a vessel, nor is any navy required to take it into service.

Standardisation

The economic, military and political arguments for collaborative production of military equipment within Nato are unassailable. The impact of new technologies, together with the financial constraints on overall national budgets, is making the national production of much defence equipment less and less viable, at least in Europe.

On the military front, Nato's generals (but often, alas, *only* when they wear their Nato hats), cry out for greater standardisation in their equipment. Nato does not yet even have a system by which its members can identify whether aircraft in the sky are friend or foe. It is also often argued that if, like the Warsaw Pact, Nato produced *fewer different types* of aircraft, ships or tanks it would greatly reduce the Warsaw Pact's current advantage in conventional forces.

So why the fuss over the frigate? Initial, pre-feasibility studies involving industries from the eight countries (Canada, France, West Germany, Italy, the Netherlands, Spain, UK and U.S.) went well—much better than many officials had feared. Although there was no great optimism in Brussels that all eight countries would stay the full course through to manufacture, last month's signature of agreement to proceed to a full feasibility study seemed routine.

Conditions

The two-page list of conditions which the U.S. delegation produced at the last moment to halt that signature has not been published. What seems to have been at issue was the Pentagon's *unwillingness to participate in* arrangements which would have involved equal sharing of the "property rights" for key ship and weapon systems designs, as well as the more familiar reservations on the transfer of technologies involved.

Behind the Pentagon's legally expressed conditions, lay, it appears, strong objections from a U.S. Navy which is in principle unwilling to compromise on its military requirements, and a U.S. industry which is still strong enough to go it alone.

For the time being, the frigate affair is back on course, thanks to the timely intervention of Mr Weinberger. But perhaps the real lesson from it will ultimately be found in a remark made to a symposium of industrialists by one of Mr Weinberger's Pentagon colleagues, assistant secretary Richard de Lauer.

"It is essential that our European allies organise their [defence] industries and their markets on a scale more comparable to the U.S., otherwise the structure for co-operation can be neither efficient nor viable," he said. "Co-operation is perhaps only realistic between two relatively equivalent partners."

The emergence of a more unified and more efficient European defence industry, which requires not only rationalisation and collaboration between companies but also a more open approach to procurement on the part of national governments, will not happen overnight. But this is the direction in which defence Ministers should be pushing.

Management in the NHS

THE House of Commons debates today, its least favourite working day, a subject which deserves more than today's usual half-hearted attention: the Griffiths Report on management in the National Health Service.

The report concludes that the National Health Service is neither effectively accountable nor efficiently managed. The answer is to establish at the centre a NHS Management Board of full-time executives reporting to a Health Services Supervisory Board. At the regional, district and unit hospital level, a system of line management is proposed with a general manager at the head to get control over budgets and resources and to concentrate decisions in one management function.

MPs today have the opportunity to consider not only this report but also the largely sympathetic response to it from the Commons Social Services Select Committee. They will hear Mr Norman Fowler, Social Services Secretary, who is likely to declare the Government's intention quickly to implement all of the main recommended changes.

Morale

The easiest approach to any report is to pick holes in it. While Mr Roy Griffiths, managing director of J. Sainsbury, has identified lack of accountability and urged coherent, decisive management throughout all levels of the NHS, he has left unclear his solutions to a clutch of lesser difficulties—the relationship between the management board and the Department, for example.

But the NHS is so obviously in need of pulling together—in morale just as much as in effective use of resources—that the Commons should concentrate on the positive aspects of the report. The select committee and many other commentators have broadly welcomed the thrust of the proposals.

Some malignant myths have grown up around Griffiths. It is not about the funding of the NHS: whether or not the health services are over- or under-funded is a quite separate subject. Griffiths is about who should manage whatever resources are available and how.

Nor is the report about cutting staff numbers, although that could be an indirect result of better management. It is a deeply ingrained myth that bureaucrats are recruiting more and more of themselves in the NHS which is starved of doctors and nurses. Total NHS staff in England is more than 800,000, 25 per cent up on 1971. The big jump — up 75 per cent — has been among technicians as medicine has become increasingly complex. Nurses increased by 24 per cent, and doctors by 43 per cent. Administrators increased sharply through Sir Keith Joseph's lamentable introduction of an extra tier of health authorities in 1973 (since removed), but for at least the past five years this trend has slowed.

The key to the Griffiths' changes will be the setting up of a system of management which provides clear lines of accountability and attacks the tendency to manage by consensus, a euphemism for long-winded discussion among opposing interest groups in search of lowest common denominators. This does not mean that consultation will disappear. But it will, in the end, make the key decisions.

The manager might be an existing doctor, nurse or administrator within the NHS, or, less likely, somebody *from* outside. But doctors have clearly and rightly lost the argument that only clinicians can manage hospitals.

Time is starting to slip. There are a number of major issues to be tackled in organising the NHS to provide the nation's health care for the rest of the century and beyond. They include the appropriate level of resources and share of national taxation which the service should command, its relationship with the private sector, the problems of increasingly expensive equipment and treatment. All are complex, delicate and controversial, requiring a great deal of time for consideration. But all are contingent on an efficient and responsive management structure. Mr Fowler should press on to get that in place as quickly as possible.

BRITISH RETAILING

The great High St shake-up

By David Churchill, Consumer Affairs Correspondent

A WAVE of mergers, site sales and new marketing *concepts is changing the* face of British High Street retailing at a dizzying pace.

This week alone has seen: a hostile bid launched by W. H. Smith for Martin the Newsagent; Marks and Spencer, Britain's biggest and most successful retailer, admitting that it had made some marketing mistakes; and Woolworth's selling off another 34 of its stores — including its Oxford Street flagship.

These are just the latest examples of the dramatic *shake-up taking place as* retailers come to grips with the short-term effects of the recession and the longer-term implications of operating in a mature market.

The recession has taught the sector the importance of adopting much tighter stock and management controls than in the heady, inflationary days of the 1970s. The maturity of the sector has forced companies to follow their U.S. counterparts and seek out specialist market niches, as well as placing much greater emphasis on design and other marketing techniques.

Companies which have failed to take these lessons on board have found themselves under pressure and potential take-over targets.

The maturity of the market is underlined by figures from Mintel, the market research company, which show that while 51 per cent of all consumer spending went through retail shops in 1961, that figure had declined to 41 per cent by 1982.

"Retailing, as far as conventional shops are concerned, will continue to lose share in the battle for consumer spending," says Mintel's Richard Eassie. Consumers are far more likely to spend extra discretionary income on leisure activities or other services than on simply buying goods through stores.

However, these trends were somewhat *disguised in the* 1970s. "The long period of inflation then tended to hide the fact that some retailers were very poor at running their operations and were not really in tune with their markets," points out John Richards, a stores analyst with Capel-Cure Myers. "It provided an illusion of growth that was not based on reality."

The decline in the inflation rate—allied to the recession—brought retailers face to face with the vital importance of marketing techniques, particularly since the big High Street chains were themselves vulnerable to attack from small, specialist shops.

A classic example is the fight for market share among women's clothing retailers which is discussed below. But the emphasis on marketing and the search for specialist niches goes right through the High Street.

Sainsbury's for example, looked in the direction of servicing the home buyer by expanding its do-it-yourself operations with its "Homebase" stores. The range offered in these outlets includes car accessories and gardening equipment as well as traditional d-i-y products. At Woolworth's, which was bought out from its U.S. parent in 1982 by Paternoster Stores, the new management has also been seeking to exploit particular market segments—hence its current bid to take-over the Comet electrical goods discount chain.

The House of Fraser group—in the mature department stores sector of the mature retail world—has embraced market segmentation by setting up "stores within stores."

"The whole purpose of marketing is not to try to sell to everybody but to define very carefully who you do want to sell to, then develop your merchandise, your products and designs to hit those particular customers," explains Professor Roland Smith, the company's chairman, who is also professor of marketing at the University of Manchester.

For example, House of Fraser has set up "Lifestyle" departments in a number of stores, combining low-price furniture with casual clothes aimed at the young adult market.

The UK trend follows a well-established route in America. "The days of being all things *to all men are well past in the* U.S.," says Paul Deacon of Capel-Cure Myers, who has just completed a study of the U.S. stores sector. "This can be seen as a reaction against a rapidly maturing market and the associated need to differentiate oneself from the competition and capture more narrowly defined segments."

Macy's department store, for example, led the way in gourmet cookware—a fashion style that was quickly emulated in many other U.S. stores and is now being copied in the UK. Inevitable space restrictions mean that many product categories are dispensed with altogether.

The market segmentation trend has, not surprisingly, been picked up by manufacturers as well. Johnson and Johnson, for example, which has pioneered the baby skin care market, has identified the over-40s women as a growth segment and is launching a new shampoo, called "Empathy," pitched at this market.

Enthusiasm for finding market niches should, however, be tempered with some caution. Past failures show that the current vogue may not be a sure-fire winner.

Burtons, for example, tried to specialise in a number of market segments in the early '70s—including starting a childrenswear chain called Orange Hand—before realising that it should concentrate on its established fashion strengths. Its success since has shown that some retailers may be better off operating in the markets they know best than searching for some elusive Holy Grail.

Clothes: how the big empires are striking back

ON TUESDAY Littlewoods reopened its flagship store in Liverpool amid much ceremoney after a £1m refit. At the heart of the redesigned shop is a new, more up-to-date, way of presenting women's and children's clothes that underlines the fierce High Street battle taking place in this market.

Skirts, slacks, tops, pullovers of one colour have been put together on a rack in a way known in the trade as colour paletting or colour co-ordination. The shopper can then mix and match her separates without having to wander around the store searching for the parts.

The new layout comes to terms with the fact that customers are increasingly buying separates rather than one-piece suits or dresses. But it *is not simply to make life* easier for the shopper; it is also about selling more clothes.

Littlewoods is following a path already trodden by both Marks and Spencer and British Home Stores as the High Street empires fight back from the severe mauling they have taken at the hands of smaller, specialist retailers.

The first to put separates together was Mr George Davies, who launched the brilliantly successful Next chain, part of the Hepworth group, in 1981.

Mr Davies converted a chain of small shops called Kendalls to boutiques and *immediately found the classic* hole in the market. He scooped the pool among the high-spending younger women, between 25 and 40, the group which has bucked the recession, who wanted quality and fashion without paying Jaegar prices.

"We had gone flabby in this area," says Mr David Ramage, marketing director of Littlewoods. "We found we simply were not attracting sufficient shoppers, particularly women in the 20-to-40 age group."

It was a problem common to the majors and exacerbated as others followed Next. There was Benetton, highly successful in France and Germany as well as its native Italy. Burton launched Top Shop and Top Notch and, according to its chief executive, Ralph Halpern, is to set up a new chain, name so far not chosen, in the autumn.

UDS came up with Visuals and Austin Reed brought out Options, another specialist. Burton also brought out Top Man, though the new wave was essentially directed at the women's market.

As Mr Alan Lambert, senior *executive ladies knitwear and* outerwear, at Marks and Spencer, admitted, "the chains had become rather more aware and responsive to changes taking place in the market. Everything we are trying to do has this in mind."

Marks has gone further down this road than the others. It has introduced radical changes in the presentation of clothes into more than 50 of its 262 stores.

The changes, first introduced in January, have dispensed with the traditional straight lines between counters of which the group is so fond. Colour-palette clothes are presented on star-shaped or square racks rather than counters.

The new racks are complemented by static, clother mannequins sitting or standing on top, and other new features include the use of full-length colour pictures of models wearing the clothes and sometimes window displays (in Nottingham, for instance). There is also better lighting, greater use of spotlights, especially to highlight the clothes on the mannequins *and redesigned logos.* New colour schemes for walls and directional signs have also been introduced to give a softer ambience. Marks' famous green and the blues of BHS and Littlewoods are disappearing.

Before the new concepts could be introduced into the stores, each of the groups had to rethink its management structure. Instead of having one person or one department responsible for choosing next season's colour and designs, the chains have several. Slacks, blouses, knitwear, blousons, skirts are all organised in different departments. Agreement on a colour for a range of clothes has to be made across several *departments,* each of which may be a profit centre.

To get greater uniformity at British Home Stores, Mrs Jane Edmeades was appointed colour co-ordinator two-and-a-half years ago and given responsibility for ensuring that each department agreed to the palette.

Marks took a different path and one which Mr Leslie Tunnicliffe, cloth buying controller at BHS, looks at wistfully. It reorganised its management responsibility and grouped people into four main buying departments—tailored clothes, casual clothes, tops and knitwear.

"These changes were made," Mr Lambert says "not only to improve our service but also to line up with the demands of the market place. We have to make an impact on Mrs Bolton. Recently we have been buying all ladies' wear across departments to one colour palette. This is the key to our future merchandising policy."

BHS has s far introduced the total concept only into a few of its 123 stores—Harlow, Newcastle, Croydon and Nottingham among them—but it actually got the system in operation before Marks. Following the appointment of Mrs Edmeades, the first colour-co-ordinated goods arrived last spring and certain carefully selected lines are now on sale in all the stores.

Littlewoods has been rather slower to react in its 109 stores. "We have trailed the changes over the past year," says Mr Ramage, "and we introduced the new format this February at Bath and Birmingham.

"By the autumn it should be in some 30 of the group's 109 stores,

The crucial question is whether the changes will do anything towards selling more clothes, to fighting off the challenge of the Nexts and Benettons.

Clearly, it is too soon to be categoric, though Mr Ramage reports "an encouraging drift" to the fashion areas. If it is not successful, Mr Lambert admits there will be a lot of heart-searching and a lot of heads rolling about the floor.

Anthony Moreton

Men and Matters

Goodison in City stakes

Now is the time for readers to start placing their bets on the Great London Stock Exchange Sweepstake.

I refer, of course, to that most orderly of affairs, the stock exchange council elections.

This year's campaign could have added spice, because Sir Nicholas Goodison, chairman of the exchange since 1976, and a council member since 1968, is up for re-election.

Sir Nicholas is retiring by rotation along with 10 other members of the council from the London contingent of stock exchange mmebers.

That is usually a formality. But since he last stood for re-election three years ago momentous events have taken place which have left him less than universally adored in the market.

In particular there was the deal with former trade and industry minister Cecil Parkinson whereby the *stock* exchange agreed to reform itself in return for gaining exemption in the Restrictive Practices Court.

The changes which were triggered in the market by the deal startled the membership, and there were *critical rumblings* about Goodison by firms that took the reactionary view that things had got out of control.

There are 13 vacancies to fill with London members, including the 11 places created by the retirements of Sir Nicholas and *10 others.*

The stock exchange notice board will be watched with more than usual interest.

Sherry on trial

That bulky trencherman, Ivor Richard, reckons to have performed a signal service on behalf of British sherry producers this week.

Their entitlement to continue using the appelation, "sherry" was threatened by European Commission plans which would have reserved the term exclusively for the Spanish product, once Spain joins the EEC.

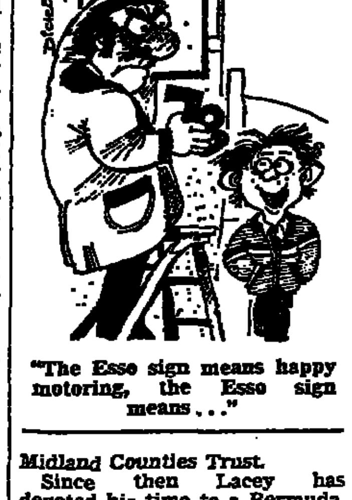
Richard, whose tastes run more in the direction of a fine claret, plunged into defence of the British blend at a Commission meeting. He told his 13 colleagues that British sherry was *so distinctive* that no one could mistake it for the real thing.

He even threatened to give each of them a bottle so they could draw their own conclusions.

Michael Jopling, Britain's Agriculuture *Minister,* had made a similar point in a letter to the commission in April. But it was Richard's Welsh Hywel which carried the day.

As commissioner for social affairs, he normally restricts his day-to-day concerns to job-creation and consumer rights.

However, the public demand, which gives the British product 40 per cent of the British sherry market, is undeniably a social phenomenon.



"The Esso sign means happy motoring, the Esso sign means..."

Lacey undaunted

There is a particular breed of businessman who succeeds in surviving failures which would daunt a lesser man.

Such a one is Graham Ferguson Lacey, devout evangelist and entrepreneur, who at 35 has re-emerged as the chairman of a public company—this time the Cheshire builders John Finlan.

His youth notwithstanding, Lacey has had an eventful career.

In 1978 the McNeil group a Belfast engineer of which he was briefly chairman, collapsed.

In 1980 the receivers were called in to Rivington Reed, a textile company at which he had been chairman for four years.

They were called in again two years later to his *private investment* company, Birmingham and Midland Counties Trust.

Since then Lacey has devoted his time to a Bermuda-based investment company called Amadeus—which means, of course, God-loving.

Lacey is a member of the Plymouth Bretheren, and in headier days he convened for prayer breakfasts with such as President Jimmy Carter.

It is through Amadeus, which holds 20 per cent of Finlan's equity, that Lacey has arrived in his new chairmanship.

It has ever been his knack to be involved with colourful people. In 1981 he crossed swords with New York entrepreneur Carl Icahn over his proposed takeover of the U.S. group Simplicity Pattern. Lacey was eventually helped out on that occasion by the Australian businessman and *America's Cup sponsor* Alan Bond.

At Finlan's Lacey says his task will be to assist the company make acquisitions. "In the past I have been both successful and unsuccessful in acquisition. I think this is a prerequisite of experience."

In her fashion

It is not easy to run an honest business from the back of a lorry, but Sharanne Basham did it.

Sharanne, 22, was bristling with ideas about clothes when she stood in the dole queue in Newport, South Wales, three years ago, and decided to get out and run her own business.

Now she is designing and selling in street markets and looks forward to "ten years from now when I'll be running a nice little chain of boutiques."

She showed all the signs of a real entrepreneur when she gave a fashion show in Newport recently—two lorries, sound equipment, choreography and 20 models for £50. The models, admittedly, were members of her family.

Sharanne, was one of the showpieces at Shell Mex's launch yesterday of its Livewire scheme—to persuade unemployed young people to think about becoming self-employed.

Shell Mex and local sponsors between them are putting about £50,000 into the scheme. There are four awards of £1,000 and everybody with an acceptable idea will get help and guidance. Like the race in Alice in Wonderland, everybody wins, and everybody gets a prize.

The City sleeps

Two stockbrokers overheard drowning their sorrows in a City wine bar:

"All these changes in the *stock exchange regulations* scare the life out of me," says one. "In fact they worry me so badly that I can't sleep at night."

"I'm sleeping like a baby," said the other. "I wake up every three hours and cry."

Observer

هكذا صرخ الجهل

NORTHERN IRELAND: AFTER THE FORUM

The door that may be opening

By Margaret van Hattem

AMONG THE most important witnesses to give evidence to the New Ireland Forum were Christopher and Michael McGimpsey, two brothers from Belfast who are members of the Official Unionist Party.

If the McGimpsey brothers were English, rather than British, they would probably be regarded as the wettest of wets in the Tory Party. The mere fact that, as members of the OUP, they consented to go to Dublin last January to give evidence to the Forum, which had been boycotted by all their party leaders, immediately places them on the moderate fringe of unionism.

Yet even they told the Forum in unmistakable terms: "I do not believe any Southern Irish Government could make up an attractive enough package to attract us into a united Ireland . . . we do not want a united Ireland under any terms".

Were the members of the Forum listening? Does their report's insistence on the need for unionist "consent" to future political developments take account of people like Christopher and Michael McGimpsey? The answer is probably—and somewhat surprisingly—yes. For behind the rhetoric it looks as if a very important door may have been opened.

Digesting the report: Mr James Prior, The Rev Ian Paisley and Mr John Hume

The extent to which this is the case is the central question that the British Government will focus on in approaching talks with the Irish Government this summer. But the Forum report, published on Wednesday, does contain strong signals that for the first time in 60 years, Irish nationalists—those who hope that Ireland will one day be united—have accepted the right of unionists not to be part of a united Ireland.

But those signals were not spelled out. Rather, they were buried beneath a mass of "greenery," of nods and bows to the traditional nationalist commitment to reunification. The first task facing the British Government will be to tease out those signals and assess whether they were put there to lure the unionists into discussing reunification, or whether they do indeed represent the first tentative steps towards nationalist recognition that reunification is not a realistic option.

If the report's avowed commitment to "remain open to discuss other views"—views other than those implying a change in the constitutional position of Northern Ireland—is sincere, then there is hope of real progress towards a political settlement that would isolate those on both the Loyalist and the Republican side who would seek to impose their views by violence or the threat of it.

In his response to the Forum report, Mr James Prior, the Northern Ireland Secretary, stated the British position with characteristic candour. Ultimately, he suggested, the British Government's view was irrelevant. The British Government would accept anything that was acceptable to the people of Northern Ireland. "But if the Unionists do not accept it, it won't work," he added.

Nevertheless, Mr Prior indicated that Britain had found enough positive elements in the report to provide a basis for talks with the Irish Government. That, in the view of many involved in setting up the Forum, means that their effort has succeeded in its main objective.

The Forum may initially, as the British believe, have attracted support from the main nationalist parties in the south because it was seen as a lifeline to the Social Democratic and Labour Party, the main constitutional nationalist party in the north.

But the Forum rapidly developed into something more fundamental: a challenge from northern nationalists to southern nationalists to declare the extent of their commitment to reunification. If, as many suspected, southern commitment was little more than a sentimental yearning, a desire for Irish unity but only on the most comfortable of terms, all expenses paid, the SDLP might be left stranded. Mr John Hume, leader of the SDLP, calculated that if this were the case, it would be better to bring it into the open. Then at least the SDLP would know where it stood.

The Forum has given him his answer. Irish nationalists in the south are not so wedded to the ideal of Irish unity that they are prepared to ignore reality.

Reality, as they have acknowledged for the first time, is that the unionists are British and do not want to be part of a United Ireland; and that without unionist co-operation, Ireland cannot be reconstructed to suit nationalists. Reality also means, as the report states, that in the absence of a political settlement leading to an end to violence, one in three civilians in Northern Ireland will be unemployed by the 1990s. "Without political progress, the scale of economic and social problems will increase greatly, exacerbating a highly dangerous situation."

This points to the conclusion that in discussing the relative merits of reconstructing Ireland as a unitary state, a federation of two linked states, or two separate sovereign states with joint Anglo-Irish authority in the north, the Forum was making an opening bid.

When the real negotiations start—probably this summer—the nationalists may well, according to this line of argument, shelve these three proposals and move closer towards the unionist position. The essential requirements of a settlement, as spelled out in the report, do not include British withdrawal or indeed any change in the constitutional position of Northern Ireland. They appear to point to a Northern Ireland where nationalists are guaranteed a role in running things—an arrangement possibly not all that far removed from what was achieved in the 1973 Sunningdale agreement, though with more active and overt support from the south.

This interpretation of the Forum report is strongly endorsed in government circles in Dublin and is shared by the SDLP. The British Government appears to have picked up what is between the lines of the Forum report and to have approved. But will the Unionists join in? The signs are not as discouraging as they may seem at first glance. There has been movement on the Unionist side lately, signs that the hardliners may be under pressure to soften their approach. Some OUP members want their party to end its boycott of the Assembly.

Reacting to the Forum report, unionist politicians like the Rev Ian Paisley, leader of the Democratic Unionists, and Mr James Molyneaux, leader of the OUP, gave what sounded like stock unionist responses, dismissing the report as yet another fruitless attempt to coerce Ulster into the south.

Mr Harold McCusker, deputy leader of the OUP, went further. If unionists were being asked to give up their British citizenship, their rights to sit as Westminster MPs, he declared, there could be no talks. If the Irish nationalists wanted to talk about reunification, the unionists would not join them.

But the Forum has not asked unionists to give up their British citizenship—it insists that in any framework, they must be allowed to retain it. Nor does it insist on talking about reunification. The report declares its readiness to discuss "other views" — including, presumably, those which rule out reunification.

The Forum report appears to have opened a door which no unionist leader has actually slammed shut. That is a promising start.

DUBLIN: THE GOING OF SEPARATE WAYS

THOSE WHO HOPED that the New Ireland Forum would make political blood brothers of Prime Minister Garret FitzGerald and Opposition leader Charles Haughey will have been disappointed—as they were probably bound to be.

Mr Haughey said on publication of the Forum report that he would not support any proposal other than a united Ireland. There are already signs in Dublin, however, that he does not want a prolonged row over the strength of the Forum's commitment to Irish unity. There are many in his Fianna Fail party who are flexible on this issue and they are not, in general, among those who support his leadership.

Dr FitzGerald believes that the Forum has given him what he wanted, and what no previous Irish leader has had: a mandate to negotiate with a British government without having Irish unity as his ultimate goal. His advisers believe they also have the endorsement of Mr John Hume of the SDLP for this approach.

This untying of Dr FitzGerald's hands from the bonds of history is seen by him as the real achievement of the Forum, rather than the specific contents of its report. It became clear in March that the parties could not agree on a single common strategy. Mr Haughey would not abandon Irish unity as the central policy of Fianna Fail, while Dr FitzGerald and Mr Hume were unwilling to be tied to it.

The possibility of a minority report was discussed and the last weeks of the Forum were spent trying to devise a formula which would avoid obvious disagreement. The Labour Party, although small (it captures 10-12 per cent of the vote in the Republic), played an important role at this stage. Its members were the most determined of all that the report should not tie them to Irish unity.

In the end the haggling came down to detail as fine as the difference between a "wish" and a "preference."

All those taking part in the final, fulsome speeches in Dublin Castle knew that afterwards they were going their separate ways.

The key question is whether Mr Haughey's reservations will deter the British government from negotiating seriously. He has, after all, a very fair chance of becoming Prime Minister again. Dublin officials believe the opposite may happen, on the grounds that Mr Haughey would be unlikely to undo an agreement if he inherited one, but that reaching an accommodation with him would be more difficult than with Dr FitzGerald.

Brendan Keenan
Dublin Correspondent

Lombard

Mrs Thatcher: a mixed blessing

By Peter Riddell

MRS THATCHER'S popular appeal may be starting to wane. That message has been reported by MPs of all parties from canvassing voters in the campaigns leading up to yesterday's elections. Hence the announcement by Mrs Thatcher—on the fifth anniversary of coming to office—that she intends to lead her party into the next General Election may turn out to be a mixed blessing for the Conservatives.

Mrs Thatcher's personality has been crucial to the success of the Tories in the past two years. Her strength/resolution/firmness have been a big influence on voters. A Market and Opinion Research International (Mori) survey in late March 1983 showed that her strength of character was the foremost reason cited for supporting the Conservative Party (quoted by 33 per cent of the sample).

Negative

That appeal appears to have been closely related to the Prime Minister's leadership during the Falklands war, and to the comparison with the weakness of Mr Michael Foot as Labour leader.

After all, before the Falklands conflict in December 1981, Mrs Thatcher had around the lowest voter satisfaction rating on record, 25 per cent. This more than doubled during the war. Moreover, according to Mori, during last year's General Election 19 per cent of voters said they were more inclined to vote Tory because of Mrs Thatcher, but 23 per cent said they were less inclined to do so because of her. However, Mr Foot had a huge negative balance.

Mrs Thatcher has always aroused strong feelings both ways. What has happened since last summer is that the public assessment of her strengths and weaknessess has shifted. According to both Mori and Gallup the percentage of voters expressing satisfaction with Mrs Thatcher as Prime Minister has dropped since last autumn. Instead of more people being satisfied rather than dissatisfied there is now a clear balance the other way.

There is no shortage of explanations. The Falklands factor is receding in public memory and Labour's image has been spruced up to some extent by Mr Kinnock. Perhaps more significant is that what was once regarded as firmness is now seen as inflexibility and bossiness.

Toughest

The Harris poll in last Sunday's Observer showed that around three-fifths of the electorate regard Mrs Thatcher as too right-wing, as acting too much like a dictator and refusing to listen to advice. At the same time, however, nearly four-fifths agree with the view that Mrs Thatcher is the toughest Prime Minister since Churchill. Overall, the proportion regarding her leadership as a success for the Government has fallen from 46 per cent last June to 34 per cent now.

Politicians believe that the GCHQ row has been the most important single influence on this shift, a point borne out by the polls. Other minuses are the affair of Mr Mark Thatcher's business dealings, the health service and education.

These changes should not be exaggerated. The satisfaction rating for Mrs Thatcher is still, just, higher than that for Mr Kinnock, which has slipped back during the miners' dispute. And the Prime Minister remains totally dominant in her administration with not a rival in sight.

Crusader

Whatever interpretation is put on yesterday's election results there is a clear message from the campaigns for Mrs Thatcher that what worked in 1982-83 may be operating with decreasing effect now, and may be outdated by the time of the next General Election in 1987-88.

Mrs Thatcher is a crusader. But after the upheavals of the past five years the public mood may be shifting in favour of a healer and a reconciler. But who is there in Mrs Thatcher's pruned Cabinet prepared to stand up and tell her of the need to change her style?

Letters to the Editor

Export credit warfare

From the Chairman, Air Products

Sir,—I am concerned about the increasing abuse of export credit facilities by certain countries.

Our sales team has just returned from South Korea, where we were trying to win a major contract for POSCO's integrated steel mill at Kwangyang Bay. We had previously supplied plant and equipment to POSCO, and on this occasion our bid was the lowest and we were technically preferred. This contract, however, was awarded to the French competition due to their Government subsidised credit terms.

The loss to my company is obvious, especially as financial and human resources have been invested over the previous two years in preparation for the bid.

The Byatt report and Sir Geoffrey Howe's visit to South Korea are therefore all too relevant, and provide a clear illustration of the problem facing British industry in international markets. No amount of Government rhetoric encouraging British industry to compete for international contracts will work if the British Government is unable to secure the co-operation of other European countries on consensus export credit terms.

With the second phase for POSCO's steel mill now scheduled, my company must seriously consider whether our resources should be expended on the bid. The real question to be asked, however, is how can Britain afford not to subsidise export credits to put us on an equal footing with our competitors?

B. F. Street,
Hersham Place,
Molesey Road,
Walton-on-Thames,
Surrey.

High tech investment

From Mr E. de Bono

Sir,—The GEC inclination (May 2) to park some of its £1.32bn in DCL and other shares highlights (yet again) the dilemma of high tech investment in a market economy. The responsibility of GEC is to its shareholders who may welcome the part change of GEC into an investment trust or may resent the inability of management to be more imaginative — on the basis that if shareholders want to be in an investment trust they are quite capable of choosing one. GEC cannot be faulted for parking its money effectively until it is needed for high tech acquisitions. It is always said that there is a great deal of money waiting for the right high tech investments that do not come along. Anyone who has experience in this field knows that this is perfectly true and perfectly untrue at the same time. There are very few high tech opportunities of the right profile because the "right profile" is based on considerations that have not, in the UK, kept pace with the realities of high tech. No one can be expected to be logically illogical.

I have been involved with the financing of a major British high tech breakthrough which, on the one hand, has a string of realisable products and, on the other hand, is likely to dominate (through basic patents) the whole future of electronics. The work has been checked out by the top scientists and technological consultants in the world. It seems to be ahead of anything yet done in the U.S., Japan or IBM. The project has a profile not at all suited to the fledgling UK venture market (short term performance driven) or to the expertise of merchant banks (who tend to refer it to their U.S. associate) or to the investment imagination of such as GEC or STC. It is almost certain that the project will eventually be funded on the East or West coast of the U.S.

High tech investment is more risky than investing in office blocks, DCL or acquisitions with track records. The U.S. has been imaginative in providing structures that make such risk taking logical behaviour. A free market economy can only work properly if the envelope of freedom is imaginatively designed. The USM is a small step in the right direction. Catch 23 states that "something may be a very good idea — except at any point in time." High tech investment is a good idea for the future of the country — but never logical for an investor (including GEC) at any particular point in time. Some of it does get done and GEC does invest a perfectly reasonable amount in research — but that is quite a different matter. GEC should be using its cash reserves to acquire high tech companies that have other initial investors — acting logically. For example there could be a negative capital gains tax on high tech investment.

Edward de Bono.
L2, Albany,
Piccadilly, W1

Remuneration of directors

From the Secretary, London and Scottish Marine Oil

Sir,—I am writing to comment on statements made in a letter from Mr A. Conner (May 2). In referring to the remuneration of LASMO's highest paid director, he assumes that the identity of the individual was unchanged from 1981 to 1983. In fact, owing to new appointments in a growing organisation, the remuneration reported related to a different director in each year. The comments, which he made after reading your own report on April 26, are therefore based on an incorrect assumption.

The ex-gratia payment to a former director also referred to by your correspondent was put to the vote and approved unanimously at the 1983 annual general meeting. Contrary to what he infers, shareholders were therefore fully informed and the decision was in their hands.

E. B. Titcomb.
Bastion House,
140 London Wall, EC2.

Test your City knowledge

From Lord Cardross

Sir,—I write with some indignation about Mr Lambert's unkind, and I trust facetious, Lombard column of May 1.

Do you not consider it your duty to support the High and Noble Purposes of these Great Institutions, the Stock Exchange and the Bank of England, neither of which should be mocked lightly?

A point by point refutation is thus necessary, if only to show that thinking City men and women take this matter with an appropriate degree of seriousness.

On the subject of the endurance of the Stock Exchange, why should you drag in the honourable name of Harvard? This university is just as secure as Yale or Berkeley.

As far as the Stock Exchange Council's concerned, many, if not all, the members can count up to at least 40, some, I am told, even to 2,001.

What of the jobbers? The present jobbing system survived the abolition of speaking tubes and waiters. It should dispose of competing market makers with ease.

Reuters men can be dismissed. Reuter himself died many years ago and there is a perfectly good granite memorial to him hard by the Stock Exchange and the Bank of England.

Pardon is not a word used in the City, least of all in the presence of an old Etonian Governor of the Bank of England.

It is a well known fact that many of your reporters drink China tea only (Men and Matters last week). A jibe about Moet and Chandon thus seems to be unworthy. Whether the firm concerned is Cazenove, Pitman and Bekhor or C. M. Mitchell is immaterial.

What is this thing you have about dealers? You should be pleased there are so many, 57 varieties in fact—fat, thin, clever, dim, bottled, pickled, plain, lethargic, go-getting or pretty.

Dealing with the matter of the sale of the 2m shares, some readers may find alternative "B" personally offensive, ICI not withstanding.

On the asking of questions, chapter 7 of Matthew verse 6 gives a good answer.

Your flippant reference to the private investor is hard to bear. I am surprised you didn't say "second prize—two chances to meet the Minister."

An honourable and appropriate role must be found for the Council for the Securities Industry. After all, it already has an office and a tea machine.

What would the clearing banks expect? Anybody who doubts that this latest venture will be as successful as lending to Third World countries or leasing shall be confounded.

Finally, "it is easier to rise in the world by a display of gravity than by undue levity" should be remembered by all your reporters, nay even sewn into their hat bands.

Cardross.
31-45 Gresham Street, EC2.
P.S. Do I get the job?

Failing the grade

From Mr A. Dean

Sir,—To those of us in the public sector Gareth Griffith's revelations (April 26) about the Government's failed attempt to recruit people from the private sector to fill managerial grades in the civil service will come as no surprise.

Against a background of abolishing the metropolitan councils without any Royal Commission of inquiry, the premature winding up of all the English new town development corporations when they are needed now more than at any other time, it is hardly surprising that high flyers will choose to keep away from the public sector. In the present political climate they are right to do so.

The Government would do well to view the public sector as an asset rather than an object to be contemptuously abused. Perhaps then will the quality of new entrants improve.

A. J. Dean.
15, Mereheath Park,
Knutsford, Cheshire

FINANCIAL TIMES

Friday May 4 1984

FRENCH FINANCE MINISTER WARNS OF HARDER BUDGET NEXT YEAR

Delors rules out easier policies

BY DAVID HOUSEGO IN PARIS

M JACQUES DELORS, the French Finance Minister, yesterday ruled out the relaxation of restrictive fiscal and monetary policies which many Socialist and Communist Deputies, are calling for.

In an unyielding speech to his left-wing critics, M Delors said the clampdown on expenditure would have to be even tighter next year. "The 1985 budget will be far more rigorous than that of 1984," he said.

Public spending is planned to rise only marginally this year in real terms. But the Government has already called for substantial reductions next year to make way for the reductions in taxation promised by President François Mitterrand.

In an indirect attack on the Communists and the left-wing Ceres faction within the Socialist party, M Delors said that any stimulus to demand would only encourage imports, and thus condemn France to a permanent exernal deficit and an increase in its foreign debt.

M Delors said the only possible policy was one that "puts the emphasis on a drastic lowering of inflation, the maintaining of the real value of our money and an unstinting search to improve French competitiveness."

The French bourse rose a further 0.85 per cent yesterday in response to M Delors' remarks, setting a record for the fifth consecutive day. The French market has risen 47 per cent over the last 12 months and 14 per cent since the beginning of the year.

In speaking out so strongly, M Delors' intention was to quell the growing pressure from the left for a relaxation in policy to stimulate jobs and output. His fear is that this could again aggravate the trade deficit, which has already reached FFr 14bn ($1.7bn) in the first three months.

In practice, M Delors sees France's budgetary and external difficulties being eased by the expected strength of the international recovery. Officials now expect France to achieve a real growth in gross national product of over 1 per cent this year, climbing to 3 per cent next year. This is based largely on the increase in exports and will in turn help to push up budget receipts.

The brighter prospects for French economics growth have also been a factor in pushing up the bourse.

Advocating policies close to those pursued by M Raymond Barre, the former Prime Minister, M Delors said there could be no trade off between inflation and unemployment. If France trailed behind other countries in bringing down its inflation rate, he declared, it would have to pay the price in terms of a loss of jobs and ability to compete.

France calls for cut in Siberian gas supplies, Page 5

Bright futures seen for new UK instruments

By Mary Ann Sieghart and Charles Batchelor in London

SIR NICHOLAS Goodison, chairman of the London Stock Exchange, inaugurated trading in the new stock index options and futures contracts yesterday.

These two instruments will allow investors both the chance to bet on the way the stock market is heading and to reduce the risk involved in holding a portfolio of shares.

There are also prospects of world-wide link-ups on the futures side. The Chicago Board of Trade – one of the two large Chicago futures markets – hopes to trade the same contract as that of the new London International Financial Futures (Liffe), and is in talks with the Stock Exchange and the Financial Times about the use of the index. This would allow arbitrage between London and Chicago.

Starting in the crowded option's corner of the stock exchange, Sir Nicholas bought two June 1,150 call options, indicating he expects the FT-SE 100 Index (Footsie), which opened around 1,140 yesterday, to rise above 1,150 by June. If it does he will make a profit. Sir Nicholas's role in opening both markets meant that Liffe had to postpone the debut of its contract until 9.45am, but exactly on cue Sir Nicholas raced on to the Liffe floor.

Within seven minutes, 200 contracts had changed hands. Total volume reached 1,277 contracts by the end of the day.

Mr John Barkshire, chairman of the London International Financial Futures Exchange (Liffe), was quietly optimistic. "Anyone who has investments in UK equities will take interest in this contract. The participation could be worldwide," he said.

The financial futures contract is a promise to buy a financial instrument – in this case the cash value of a basket of 100 shares – within a future month at a price fixed at the time the contract is bought.

In contrast, an option contract confers the right – but not the obligation – to buy or sell the value of the basket of shares.

John Edwards, in London, adds: The UK Department of Trade and Industry has accepted in principle that the Gaming Act should be amended to exclude transactions on futures indices and options, it was learned yesterday.

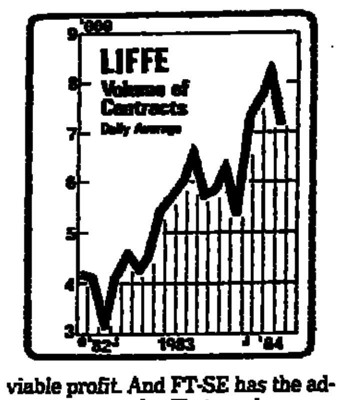
If such trading were to come under the Act, any debts which resulted from it would be legally unenforceable.

Futures sport kicks off, Page 13

THE LEX COLUMN

Playing footsie in the City

Barclays Bank may conceivably be regretting its bold initiative in establishing a brand new formula for the calculation of its base rate. Yesterday, sterling money market rates were creeping towards a level which should trigger an upward adjustment and gilt-edged responded with one of the worst performances in weeks. Barclays would find it embarrassing to duck out of the race at the first hurdle, even though the man in the HMG tracksuit would presumably be ready with pain-killing sponges and soothing words at the side of the track.



Liffe

It must be a good sign for the new FT-SE stock index contract that the ceremonial part of its debut was drowned by the noise of trading: the first day volume of 1,277 contracts is an encouraging start. Nevertheless, the FT-SE Future. has a lot to do before it can be more than a pale imitation of successful equity-hedging contracts in the U.S. Two years down the road, the Chicago Mercantile Exchange is turning over 45,000 lots on an average day and has logged its 10-millionth contract.

A success for the FT-SE contract is important to the career of the Liffe exchange, although it may be fractionally harder to achieve because the stock exchange is offering a rival option-style product – which had a larger trading volume on its first outing yesterday. The record of Liffe's initial batch of seven contracts has been patchy. Two successes – the long gilt and the three-month Eurodollar – have been offset by damp squibs in currency and only flashes of activity in short sterling, when base rate movements are in the air.

The FT-SE contract has fair prospects of taking off along the lines of the gilt, if not the even more liquid eurodollar. The successes have taken fire from having a natural customer base in the City of London, and from the absence of any efficient alternative. In this case Liffe is only a short sprint away from the Stock Exchange floor and should prove convenient for jobbers – and any other presumptive market makers – wanting to hedge their equity books. Gilt-edged jobbers have already trodden this path, with enviable profit. And FT-SE has the advantage over the ill-starred currency contracts, since there is no ready made liquid market corresponding to the inter-bank forward currency market, where the action has remained.

Institutional investors may take some convincing before they make heavy use of the FT-SE contract. The statisticians will need to prove that it is an effective hedge. And the tax position remains to be sorted out to complete satisfaction. In any case, both pension fund managers and insurance men take about as long to change course as a supertanker.

Tricentrol

The City of London's oil analysts were yesterday hard at work on the options facing BP over Sohio – having heard BP's board pour yet more cold water on the idea of a bid for the minority stake – when along came news that another, less happy quandary facing a UK oil company in the U.S. had at last been resolved. Tricentrol's $73m sale of most of its on-shore U.S. operations has cost the group a book loss of $67m but leaves it looking better balanced than at any time since its first transatlantic sortie.

There has never been much doubt that Tricentrol would face a substantial loss on this long-awaited sale and the price paid by a subsidiary of BASF looks rather higher than generally expected. The reduction in Tricentrol's $107m of U.S. debt will give a useful filip to earnings, while reducing the ratio of net debt to equity from 53 per cent, where it stood at the end of March, to 33 per cent.

The whole episode will do nothing to lessen the City's deepening distrust of any North American expansion plans emanating from North Sea company boardrooms, *pace* the optimism of Britoil, Enterprise Oil et al. But it leaves Tricentrol in the U.S. with some sound offshore interests, shared with first rate operators, while a rapid and favourable decision on the Wytch Farm field could still assure it of good exploration prospects in the UK.

It also leaves it looking an altogether more attractive target for bid speculation. At 217p, up 2p, the shares already reflect this abrupt change by standing at a discount of only 15 per cent to a post-disposal asset value of perhaps 255p per share. And yesterday's cagey remarks from BP on the progress of the off-shore China drilling programme are unlikely to discourage fanciful thoughts about Tricentrol's stake in that venture.

Building materials

Lord Hanson has found a worthy follower in Tarmac, which yesterday made its own – rather more modest-incursion into the brick market, picking up C. H. Beazer's building materials division for £28.6m. Not to be outdone, English China Clays announced almost simultaneously that it was spending £17.4m on Charcon, the Charterhouse J. Rothschild subsidiary. Concrete paving stones do not, it appears, have a role in the CJR world plan.

The two deals underline the remarkable concentration still taking place in the building materials sector and the comparative advantage of buying assets in the market. Tarmac is buying Beazer's whole division for roughly what it would cost to develop the brick capacity alone. Beazer's concrete products operations, meanwhile, will provide a neat downstream market for Tarmac's aggregates business.

Yesterday's transactions brought the whole building materials sector back to life, as the specialists in takeover guesswork moved in. If the market is right, building materials analysts will have a very thin list of companies to call their own a few years from now.

Shell wins approval on N. Sea projects

By Dominic Lawson in London

SHELL HAS been given the go-ahead by the Department of Energy to develop two North Sea gas fields, at a cost of £350m ($770m).

The fields, Sean South and Sean North, are to be used in the North Sea as "peak shavers." These are fields designed to supply the UK with gas only during peak periods of demand, for example in the winter.

The fields were discovered as long ago as 1969, but it is only the rapid rise in the price paid by British Gas for new gas supplies that has made the fields viable for the licensees. The four companies involved, each with an equal stake, are Shell, Esso, Britoil and Union Texas Petroleum.

The increase in prices has sparked a sharp revival of interest in the southern gas basin generally. Fourteen drilling rigs are operating in the area, twice as many as at the end of last year.

The fields are estimated to hold about 425bn cu ft of gas, and initially will be able to supply up to 600m cu ft per day to meet peak load demand. The gas will be taken by a new pipeline to the Shell/Esso processing plant at Bacton, Norfolk. The target date for first deliveries to British Gas is October 1985.

The cost of the fields' development is about twice that usually to be expected for a development of this size, reflecting the problem of developing for short bursts of production.

While the basic price per therm paid by British Gas could be in the 23p-24p range – typical of recent agreements with UK gas producers – British Gas will also pay the Sean consortium a "capacity charge." This will be paid to the consortium regularly, whether or not gas is actually produced – and will compensate the producers for the unusually high development costs.

The contract for the design of the structures, topsides and Bacton facilities has been placed with McDermott Engineering.

Dutch offer to be accepted; Occidental results, Page 33

EEC funding urged for film and TV programme production

BY RAYMOND SNODDY IN LONDON

THE EEC Commission will today be urged to set up a major financial programme to encourage film and television production in Europe.

Mr Bill Cotton, managing director of BBC Television, will tell Viscount Etienne Davignon, vice-president of the Commission, and other Commissioners, that there is an urgent need for a media funding programme similar to that of Esprit for the European computer industry.

The British initiative is receiving serious consideration in Brussels and if the concept is accepted, a formal proposal could be produced by the summer for a decision by the end of the year.

The British broadcasters will argue that a European Film Board Fund of £50m ($69.5m) a year for five years is needed to create jobs, limit the penetration of American films and television programmes on cable and satellite television and increase exports.

Mr Maurice English, head of the intelligence section of the Information Technology "task force" in the Commission, said that the British initiative was "an extremely important and serious possibility."

The emphasis was on industry and jobs rather than culture and the production of entertainment, an area where the Americans were strongest.

In the UK, 60,000 people are believed to be employed in television production, either in television companies or in outside support, and production is worth £1.5bn. This contrasts with the 73,000 employees directly employed by the British Steel Corporation.

One suggestion is that a film fund, which would also include private sector finance, would allocate loans or support on a sliding scale.

Films or television programmes made by independent producers for showing in more than one European country would attract a greater level of support.

The plan was put forward originally as a personal initiative by Mr Aubrey Singer, former managing director of BBC Television. It has been taken up by the BBC although the corporation believes the Commission must now take over the proposal if it is to succeed.

The suggestion is that the funds of a European film board would be handled in individual countries by organisation like Britain's National Film Finance Corporation (NFFC). The NFFC at present administers the money raised from a levy on cinema admissions.

If the EEC Commission were to go ahead with a film and television funding programme, it could prove embarrassing for Mr Kenneth Baker, the UK Department of Trade and Industry Minister responsible for the film industry.

Lloyds hit by UK budget

By Margaret Hughes in London

THE DECISION in the UK budget to phase out capital allowances and reduce corporation tax will cost Lloyds Bank £465m ($655.7m) Sir Jeremy Morse, the British bank's chairman, disclosed at yesterday's annual meeting.

Sir Jeremy also warned that the future of leasing was "uncertain" after the move. Lloyds expects to maintain its leasing book over the next two years, he said, but beyond that the market was "not clear."

Lloyds leasing book totalled £1.56bn at the end of December 1983.

The additional provision Lloyds will be making in its interim accounts is considerably higher than expected. This is because of the larger-than-expected impact of tax variation clauses in Lloyds leasing contracts which will require rates to customers to be cut.

Bonn bill on tax evasion amnesty

BY JAMES BUCHAN IN BONN

CHANCELLOR Helmut Kohl's coalition Government intends to grant an amnesty for individuals facing prosecution for possible tax evasion in donations to political parties.

At a meeting in Bonn yesterday, the parliamentary groups of the Christian Democrat and Christian Social Union (CDU/CSU) and the Free Democrats (FDP) approved a bill which, once in law could effectively halt well over 1,000 prosecutor's investigations.

Coalition officials yesterday were quick to deny they were pushing through a "Lambsdorff law", which might protect the FDP Economics Minister, Count Otto Lambsdorff, from prosecution on suspicion of taking bribes in the form of party contributions from the Flick concern.

However, a parallel investigation into Count Lambsdorff's former activity as a regional FDP treasurer looks likely to fall away when the bill becomes law.

The opposition Social Democrats and Greens bitterly criticised the draft law, which could provide an amnesty for about 3,000 individuals under investigation for the possible dodging of restrictions on tax relief for party donations.

Also eligible for amnesty are those under investigation for paying donations through party "front" organisations with charitable status, on which tax relief has been more generous. The law will require back tax to be paid.

The coalition's bill, which has been prepared in great secrecy, seems bound to unleash a considerable row – even though the former SPD-FDP Government of Chancellor Helmut Schmidt toyed with the notion of an amnesty in 1981.

● The coalition parliamentary groups agreed yesterday that a DM 20bn package of income tax relief and increases in family allowances should be brought in at the beginning of 1986.

Paribas takes full control of A. G. Becker

By David Marsh in Paris

COMPAGNIE Financière de Paribas, the French state-owned financial group, is to take complete control of A.G. Becker, the New York investment banking company, in which it already has a 55 per cent stake. It will also boost the company's share capital.

Paribas will buy out from Becker employees the 45 per cent it does not already own as part of its general action to boost the New York firm's financial resources at a time of increasing competition among Wall Street securities houses.

Last spring, Paribas took 51 per cent majority control of Becker, by buying out the stake held by S. G. Warburg of London, with which it was associated up to 1983 in a joint holding company. Paribas subsequently increased its stake to 55 per cent.

The New York company, whose name has now been changed to A.G. Becker-Paribas, made losses in the first half of 1982 but returned to profit in the subsequent 18 months, according to Paribas officials in Paris. M Herve Pinet, Paribas director general, last year was brought in to head Becker's board.

French plan for foreign loans, Page 33

Atlantic satellite deal draws protests

Continued from Page 1

includes officials from the departments of commerce, state and defence, has recommended that the companies' requests be granted. The White House is expected to accept the group's recommendations, which would then be approved by the Federal Communications Commission.

The proposals, however, contain several conditions. These include a requirement that U.S. companies may only start services in competition with Intelsat after they have found partners on the other side of the Atlantic which have won approval from their national governments.

In most European countries, international communications are tightly controlled by state monopolies; but in Britain, the privately-owned Mercury consortium has been licensed to compete with British Telecom nationally and internationally.

The U.S. proposals have brought formal protests from about 30 countries, including Australia, the Philippines, Sweden and Zaire. Most object that the recommendations would undermine Intelsat

U.S. current deficit worries Europeans

Continued from Page 1

lash effect. It is not the sort of thing you can feel straight away but it's very dangerous."

Labelling the U.S. current account deficit as "the biggest monetary imbalance in world history," the central banker said that private capital flows into the U.S., which have so far been financing the deficit, would eventually peter out as exchange markets eventually adjusted to the feeling that the dollar was heading for a fall.

Mr Feldstein told the meeting that the explosive rate of U.S. growth in the first quarter of this year would tail off later in 1984, reducing inflationary pressures. He hoped U.S. price increases would remain below 5 per cent this year.

Some delegates were sceptical about whether the high growth rate, with large-scale borrowing needs by the Government and private sector, could spark inflationary dangers which could later trigger an about-turn in international confidence in the dollar.

According to estimates circulating among central banks, foreign capital inflows into the U.S. this year will finance about one third of the entire net borrowing needs of the Federal Government and the corporate sector, put at a total $255bn.

The relatively low percentage of domestic savings in the financing equation is seen as fundamentally unhealthy and difficult to sustain over the longer term.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	20	68	Dubrovnik	–	–	–	Malaga	C	19	66	Salzburg	F	17	63
Algarve	S	27	81	Faro	S	20	68	Malta	–	–	–	Seoul	S	20	68
Algiers	C	16	61	Florence	F	21	70	Manila	–	–	–	Singapore	–	–	–
Amsterdam	F	14	57	Frankfurt	R	12	54	Miami	S	27	81	Stockholm	C	16	61
Athens	S	22	72	Funchal	C	16	61	Milan	R	11	52	Strasbourg	C	12	54
Bahrain	–	–	–	Geneva	C	8	46	Moscow	S	15	59	Sydney	S	22	72
Bangkok	–	–	–	Gibraltar	F	18	64	Munich	C	16	61	Taipei	–	–	–
Barcelona	S	17	63	Guernsey	S	12	54	Nairobi	–	–	–	Tangier	C	17	63
Beirut	–	–	–	Helsinki	S	16	61	Naples	S	24	75	Tehran	–	–	–
Belgrade	S	24	75	H. Kong	C	25	77	New Delhi	S	36	97	Tel Aviv	C	21	70
Berlin	–	–	–	Innsbruck	F	19	66	New York	S	18	64	Tenerife	F	21	70
Biarritz	R	13	55	Inverness	F	12	54	Nice	C	16	61	Tokyo	–	–	–
Blackpool	S	15	59	Istanbul	–	–	–	Oporto	F	15	59	Toronto	C	7	45
Bordeaux	R	12	54	Jersey	F	11	52	Oslo	C	16	58	Tunis	S	26	79
Brussels	F	14	57	Jo'burg	F	23	73	Paris	R	12	54	Valencia	F	20	68
Budapest	S	21	70	Las Palmas	S	21	70	Prague	C	18	64	Venice	F	14	57
B. Aires	S	23	73	Lima	F	22	72	Reykjavik	R	5	41	Vienna	C	18	64
Cairo	S	40	104	Lisbon	F	17	63	Rio de J'o	F	25	77	Warsaw	F	23	73
Cape Town	S	21	70	Locarno	R	11	52	Rome	S	20	68	Zurich	F	16	61
Caracas	–	–	–	London	C	11	52								
Casablanca	C	18	64	Los Angeles	S	18	64								
Copenhagen	F	15	59	Luxembourg	F	14	57								
Corfu	S	21	70	Madrid	F	13	55								
Dublin	S	15	59	Majorca	C	18	64								

Readings at mid-day yesterday.

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Paris bar to cable TV competition

Continued from Page 1

M Mexandeau said the French Government's target was for 1.4m homes to be connected by 1985, and to reach an annual wiring rate of 1m homes by 1986.

The new regulations place some restrictions on programming, with foreign programmes, including British channels, restricted to a maximum of a third of all programming on a given local cable network. But the Government has yet to decide on the way these restrictions will be imposed. This could include restricting foreign programmes to a specific number of channels or, more generally to the entire programming of a network.

M Mexandeau described the cable television decision as a "Landmark" adding that the Government was committed to developing both cable and direct broadcasting by satellite. Both were complementary, he said.

France and Luxembourg yesterday agreed to collaborate jointly on the French TDF-1 direct broadcasting satellite, due to be launched at the end of 1985.

However, the TDF programme has been regarded with mixed feelings by the PTT, because it is viewed as already overtaken by a new generation of more performing-mixed telecommunications and television satellites. Moreover, yesterday's decision both for cable and eventually for other new telecommunication and video and data transmission applications suggests that cable has won a major round against direct broadcasting by satellite.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, F. Barlow, R.A.F. McClean, M.C. Gorman, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main.

Marsh & McLennan deficit at $90m

By Terry Dodsworth in New York

MARSH & McLennan, the leading U.S. insurance broker which announced heavy losses on its bond trading portfolio last month, has delivered a further shock to investors by scaling up the estimated deficit from $60m to $90m.

The company revealed these additional problems in a letter to shareholders, saying it had discovered further irregularities during an investigation of all its investment positions.

Only a fortnight ago, the company stated it was confident that the loss from unauthorised trading would "not exceed" $120m, while on an after-tax basis it would be approximately $60m.

In the letter, however, the company indicated that these original loss estimates referred only to a large $2bn portfolio bought on margin without Treasury Department authorisation. An intensive investigation of the company's other security holdings later uncovered a number of other unauthorised intermediate and long-term investments "by the investment manager," the statement said. In the course of liquidating these positions, the further loss was incurred.

Marsh & McLennan's share price fell $2⅛ last night to $39⅞, although Mr John Regan, chairman, immediately stressed he would be proposing that the dividend be maintained.

He said the balance sheet remained strong, with stockholders' equity in excess of $400m and corporate cash restored to about $200m after additional short-term borrowings of $118m.

First quarter recovery for Kodak

By Our New York Staff

EASTMAN KODAK, the world's largest photographic equipment manufacturer, achieved its promised earnings recovery in the first quarter, despite a "sluggish" overseas performance and unfavourable foreign currency adjustment.

Net earnings came to $157.8m, or 95 cents a share, against $49.4m, or 30 cents, in the 1983 first quarter. Sales were virtually flat, at $3.14bn, compared with $3.13bn, with overseas turnover slipping from $862m to $823m.

The comparisons were distorted by a $145.9m pre-tax charge last year for the costs of a redundancy programme. Even after adjustment for this, however, net earnings were up by 15 per cent to $136.8m.

Mr Colby Chandler, chairman, said the group had achieved solid sales gains in the chemicals division and copier duplicators, and "sharply higher" revenues from Kodacolour film in the disc format.

Profits had benefited from lower silver costs and savings from workforce cuts. The company was looking forward to a "strong earnings performance," although it might be affected by the relatively slow rate of overseas recovery and unfavourable currency fluctuations.

On a divisional basis, sales in the photographic business slipped by 3 per cent to $1.64bn from $1.68bn,

Thomson cuts loss and sees return to the black

BY PAUL BETTS IN PARIS

THOMSON, the nationalised French electronics group, expects to report another group loss this year after an expected net loss of between FFr 1.2bn and FFr 1.3bn ($144m to $155m) last year.

M Alain Gomez, group chairman, said the loss this year would be lower than last year's and that his group could be operating profitably by the end of the second half of this year.

He said he was still optimistic that Thomson would return to profit next year.

Thomson had group losses of FFr 2.2bn in 1982. Its Thomson SA holding company reported a loss of FFr 485m last year compared with a loss of FFr 73m in 1982. Its Thomson-CSF subsidiary, which is listed on the Paris bourse, saw its losses decline from FFr 1.9bn in 1982 to FFr 892m last year. M Gomez said he expected Thomson-CSF to report another, smaller loss this year.

The Thomson group and subsidiary figures in the latest balance sheet are complicated by the major asset swap operations between the group and CGE, the other leading French nationalised electronics conglomerate. This swap has seen Thomson move out of the civil telecommunications business but increase its presence in the electronics components and military sector.

Group sales last year totalled FFr 56.4bn compared with sales of FFr 47bn in 1982. It is about to launch a series of financial operations to raise funds on the French capital markets.

These will involve a total of FFr 3.55bn, including a FFr 1.2bn convertible bond issue for Thomson-CSF, a FFr 850m Thomson SA holding company bond issue with rights to buy Thomson-CSF shares, and a FFr 1.5bn Thomson SA holding company straight bond issue.

Pharmacia income up 31%

BY OUR STOCKHOLM CORRESPONDENT

PHARMACIA, the Swedish pharmaceuticals and biotechnology group, has reported a 31 per cent rise in pre-tax profit to SKr 152.9m ($19m) for the first three months, compared with the same quarter last year.

Total group sales and licensing income advanced 20 per cent to SKr 680.9m. In the pharmaceuticals and diagnostics division, which accounts for two-thirds of the total, sales rose 22 per cent. The same increase was noted in the biotechnology division, where turnover climbed to SKr 162m.

The group attributed the improvement to continuing high margins, and renewed its forecast for a 20 to 25 per cent rise in sales and profits this year.

Operating income increased 25 per cent to SKr 139m (53 per cent on a rolling 12-month basis to SKr 507m), despite large increases in research, marketing, and capital investments, which will continue through the year, the report stated.

Net financial income more than doubled to SKr 13.8m.

During the quarter, Pharmacia opened a new laboratory in Japan, and decided on a SKr 225m expansion of production facilities in the biotechnology and pharmaceuticals division. It has won regulatory approval for Salazopyrin, an intestinal medicine, launched the Healon eye-surgery aid in France and signed a letter of intent for partnership with Imre of the U.S. in the field of advanced blood filtration.

German Boveri strongly ahead

BY JOHN DAVIES IN FRANKFURT

BROWN BOVERI, the West German subsidiary of the Swiss electrical concern, is striving to cut costs and rationalise activities in the face of tough market conditions.

At the same time, it has lifted profits after a steady decline in recent years. The West German company's net earnings rose more than 250 per cent last year to DM 20.7m ($7.6m), while earnings of the overall German group, including subsidiaries, were up 150 per cent to DM 18.3m.

Brown Boveri's order inflow slipped 3 per cent last year to DM 5.19bn, with domestic orders hard hit by poor demand for large-scale equipment.

It expects the order inflow to be about the same this year, but believes it must continue to accept orders at unsatisfactory prices to keep workers and plant occupied. For this reason, it says, productivity increases and cost-cutting must again have high priority.

The company is scaling down capacity for production of large-scale machinery at its Mannheim and Bexbach factories, with the loss of about 460 jobs. It reduced its total workforce by 3 per cent to 37,850 last year.

Restructuring and cost-cutting measures last year helped to halt a steady downward trend in net profits. Group profit, which was DM 46m in 1979, dwindled to DM 7m in 1982.

The company, which is 56 per cent owned by Brown Boveri of Switzerland, cut its dividend from DM 8 to DM 6 per DM 50 share on its 1981 results. It has maintained its dividend at this reduced level for the third successive year.

The West German group's sales revenue rose 4 per cent last year to DM 4.95bn, continuing the steady increase of recent years.

Ontario to review rules on securities industry

BY BERNARD SIMON IN TORONTO

THE ONTARIO Securities Commission has launched an investigation into the competitive position of Canada's securities industry, both domestically and in international financial markets. The investigation may pave the way for greater foreign involvement in Canadian brokerage firms and a relaxation of other restrictions on ownership of the country's investment dealers.

The Commission said the review will centre on "the adequacy and relevance of regulations governing the ownership of securities firms, particularly insofar as such regulations may impact on access to capital by, and the competitive strength of, the securities industry."

The Commission has jurisdiction only over markets in Ontario, including the Toronto Stock Exchange. But it has, in the past, consulted closely with other provinces before introducing major changes, and the others have tended to follow its example.

The latest investigation follows a spate of moves to restructure the framework in which Canada's financial institutions operate. The OSC confirmed that its review is linked to the recent refusal by the Toronto stock exchange to allow a leading Toronto brokerage firm, Daly Gordon Securities, to set up a new financial services company in partnership with Banque de Bruxelles Lambert. Daly Gordon has appealed to the Commission.

Ontario has restricted foreign ownership of securities dealers since the early 1970s to 25 per cent, including a ceiling of 10 per cent on the holdings of any one person.

BMW to boost dividend

By John Davies in Frankfurt

BMW, the West German prestige car maker, is boosting its dividend – and paying a bonus on top of it – after a surge in profits.

Meanwhile, Daimler-Benz, its arch-rival in the market for dearer cars, is abandoning its 1982 bonus after a solid but, by comparison, less heady performance.

BMW said yesterday that the Munich-based parent company made a net profit of DM 288m ($105m) last year. This is 44 per cent higher than the previous year's earnings and nearly double the DM 145m profit of 1981.

It is increasing its dividend from DM 10 to DM 11 per DM 50 share and adding a bonus of DM 1.

The payout will total DM 144m and the company is putting an equal amount into reserves to strengthen its financial position.

BMW has already announced that it boosted its worldwide sales revenue by 21 per cent to DM 14bn last year.

It produced nearly 421,000 cars, 11 per cent more than the previous year, and for the first time the number of its employees worldwide exceeded 50,000.

To expand production, BMW recently laid the foundation stone for a new factory to be built at Regensburg in its home ground of Bavaria. The first cars are due to roll off the assembly lines at Regensburg by the end of 1986 and the company plans to invest about DM 1.3bn in the plant by 1991.

Daimler-Benz is maintaining its dividend at DM 10.50 per share, but is omitting the DM 1 bonus paid on its 1982 results.

Because the company has made a rights issue, the dividend payout to shareholders will be slightly ahead of the previous year at DM 355m. An equal amount is being put into reserves to strengthen the company.

Daimler-Benz increased its worldwide revenue by 2.5 per cent to DM 39.9bn last year and boosted car production by 3.9 per cent to 476,180.

But its performance has been dampened by problems in truck markets, especially in the heavier range. Its output of commercial vehicles was down 9.5 per cent last year to 226,390.

Like its smaller rival, Daimler-Benz has been striving to expand car production capacity.

French state banks in foreign loans move

By David Marsh in Paris

FRENCH nationalised banks, which have generally increased 1983 provisions on doubtful loans to borrowers in France and abroad, are pressing the Finance Ministry for permission to denominate their provisions on international credits in foreign currencies.

The proposal is aimed at further strengthening the capital backing of the banking system, which is traditionally weak by international standards.

In another sign of action by state-owned banks to boost their capital resources, Credit Commercial de France, which was nationalised in February 1982, has announced it is to launch later this month an issue of *titres participatifs* (non-voting loan stock) for about FFr 700m ($92m). TPs, which are intermediate in character between shares and bonds, have been issued by a growing number of nationalised companies and banks to increase their financing muscle.

The companies and banks have turned increasingly to the Paris finanical markets partly because of the buoyancy during the last 12 months of the equity and bond markets, and partly because the government's funds to increase capital directly are in short supply.

The Finance Ministry has not yet responded to the banks' proposal on provisions. Complete agreement on the request – which would allow banks' provisions in franc terms to rise automatically in line with the strength of the dollar – is thought unlikely.

But the Government may go some way towards acceding to the suggestion.

Occidental earnings increase to $92.7m as debt burden eases

BY WILLIAM HALL IN NEW YORK

OCCIDENTAL PETROLEUM, the last of the U.S. oil majors to report its first-quarter results, has boosted its net income more than fivefold to $92.7m.

The sharp increase in net income compares with a very depressed first quarter of last year, when the company was labouring under the heavy debt load it acquired following its $4bn acquisition of Cities Service Company.

After allowing for the payment of large preferred share dividends last year, Occidental reported a loss of $1.02 per share in the opening months of 1983. In the latest period it earned 22 cents per share.

Although this was an improvement, Occidental's earnings in the first quarter remained insufficient to cover the quarterly dividend. Its heavy financing burden continues to depress its profits, which are much smaller than those of companies with similar revenues.

The company, which more than halved its debt last year through an aggressive assets sales programme, said that its interest expense of $110m in the first quarter was $56.2m lower than last year. Preferred stock dividends of $71.4m were $43.8m down on the same quarter last year.

The group's oil and gas earnings rose $31.3m to $174.4m in the opening quarter. However, Occidental's coal operations showed a $7.2m loss.

Earnings from its agribusiness operations quadrupled to $16.2m, but chemical earnings fell from $16.8m to $13.7m.

Shell executives to accept Dutch offer

BY WILLIAM HALL IN NEW YORK

MR JOHN BOOKOUT, the chief executive of Shell Oil and four of his senior colleagues have announced that they plan to accept Royal Dutch Shell's $58 per share offer for their shares.

Although the five most senior executives of Shell Oil only own 110,000 shares, or a mere 0.1 per cent of the company, their announcement is the first concrete evidence of the senior management's attitude to Royal Dutch Shell's offer. It is likely to have an important effect on the voting decisions of the 23,000 Shell Oil employees who own a key block of almost a quarter of Shell Oil's remaining shares in public hands.

Although the outside directors of Shell Oil have said that Royal Dutch Shell's latest offer was inadequate, the board of Shell Oil and Mr Bookout, its chief executive, have said all along that individual shareholders should make up their minds what to do about the offer. Because of their conflicting responsibilities, they have not been able to make a recommendation to shareholders and employees.

Mr Bookout said that "our decisions were made and jointly announced primarily on our belief that a decision to tender on our part best serves the operational needs of the company. I discussed this action with individual board members of the special committee of the board and feel the decision is consistent with the board's prior recommendation that all shareholders should make their own determination with respect to the tender."

Profits double at SKF in quarter

By David Brown in Stockholm

SKF, the Swedish roller bearing and engineering group, reports an increase in first quarter profits for the first time in three years and says volume is up on most of its major markets.

Operating income advanced 52 per cent to SKr 288m ($36m). The SKr 244m result before exchange items is more than double the SKr 103m achieved in the previous three month period, due to a 50 per cent drop in net financial costs.

After a period of high short-time work costs, demand is up on most major markets except France, and capacity utilisation has climbed out of last year's "black hole" said Mr Lennart Johansson, group chief executive.

SKF has already predicted a "substantial" improvement in full year results against the SKr 804m pre-tax profit to 1983, but Mr Johansson remains cautious about the possibility of significant price increases.

Sales were ahead by 11 per cent at SKr 4.47bn. Costs advanced 7 per cent to SKr 4bn.

The steel division reported a profit of SKr 15m following the first quarter loss of SKr 37m last year.

● Asea, the electrical engineering and electronics group, is forming a venture capital company in the U.S. which is expected to "play a major role in gaining broader access to developments in the U.S. electronics industry."

The new company, Asea Venture Capital, will make direct investments in start-up high-technology companies operating in areas related to Asea's operations.

As a first step, it has entered into a partnership with the Harvest Venture Capital group of New York, under which it will finance a $7m partnership, Asea Harvest Partners. The company will be managed by the Harvest group.

South Korea eases banking curbs

Ann Charters reports from Seoul on the long-awaited move to open the banking community to outside competition

THE SOUTH KOREAN financial sector moved a step forward last week, when the Ministry of Finance announced its decision to allow foreign banks to compete on an equal footing with domestic banks. Differences in the ways foreign and domestic banks are permitted to conduct business are to be eliminated gradually, with the first changes this year.

Since 1980, Korea has maintained that opening the economy to foreign competition and liberalising the financial sector are essential to its growth, modernisation and development.

But after the tragic death of two of the country's top economic policymakers, Dr Kim Jae-Ik and Mr Suh Suk-Joon, in the bomb attack in Rangoon on visiting South Korean officials last October—confirmed by Burmese Government inquiries to have been carried out by North Korean agents—there has been concern that the loss of key individuals might have weakened the Government's drive towards these goals.

However, the consensus within the Government on the necessity for reforms seems to be solid. The current generation of economic technocrats is as convinced as the last that, in the words of the Finance Ministry, "heavy Government intervention in the economy during the 1970s hindered the proper functioning of the market mechanism, discouraged creativity and initiative in the private sector, and therefore reduced the efficiency of the economy." To restore efficiency, the Government is to reduce its role, and competition—especially from foreign sources—is to raise the level of efficiency in the economy to that on a par with advanced countries.

The domestic banking sector, which has lagged behind the rest of the economy in modernisation and sophistication, is now slated to put theory into practice. The Government started to divest itself of its equity shares in the country's five major commercial banks in 1981 and finished in 1983. However, it continued to have a hand, albeit decreasing, in management policy, budgets, executive appointments and personnel decisions, on the premise that the banks still needed more expertise.

Beginning this year, domestic banks will have the opportunity to demonstrate their professionalism as the barriers that have limited the foreign banks' role start to crumble. Foreign banks will at first be given membership of the National Banks Association. Although the Finance Ministry thinks this will put the foreign banks in a position to protect themselves against discrimination, there may be difficulties, since it appears they are to join as associate members with no voting rights.

Foreign banks will also this year be allowed to join the clearing house, so avoiding reliance on a Korean bank to perform their clearing operations. Some foreign bankers do not view this as a great advantage at the moment, however, because it will mean added overheads, while the marketplace is still small.

In addition, a recalculation of foreign banks' "nominal" capital, which governs lending limits, will be permitted at some point this year. This should ease constraint on foreign bank lending activity and on the issue of guarantees and acceptances. At present, a bank branch's paid-in capital is multiplied by a factor of up to four to arrive at "nominal" capital. The new multiple canvassed, but not definite, is six.

Some of the opportunities in the domestic market that foreign banks have long sought begin only next year. Principal among these is access to the central bank's rediscount window. In 1985, foreign banks will be able to use the rediscount facility for export financing only. The following year, rediscount facilities for import-related loans and trade bills will be fully available on the same conditions as those applied to domestic banks. Access to this facility provides domestic banks with one of their most important sources of funding.

Korea's largest commercial banks were allowed to enter the trust banking business and operate trust funds this year, so they will have a year's start when foreign banks are permitted to enter in 1985. The value of trust banking to foreign banks is still unclear to many who view it as primarily a retail business. Foreign banks have limited branch networks and, unlike domestic banks, deposits accounted for only 11.9 per cent of their sources of funds at the end of 1983, according to the Finance Ministry.

As foreign banks make inroads into markets which have been the exclusive preserve of Korean banks, the Finance Ministry plans concurrently to remove some of the foreign banks' privileges. It is expected that foreign banks will have to make a certain percentage of their loans to areas that the Government wants to encourage, such as joint-ventures and small and medium-sized companies.

Foreign banks may, also, not be able to bring in the same volume of foreign currency to exchange for local currency, as their access to other sources of Korean won funding improves.

It is not likely that problems during the transition will be quietly tolerated either by domestic banks or their foreign counterparts. It was discrimination in the Korean banking sector that started foreign banks, particularly American banks, on their campaign for equal treatment as early as 1979, when their dissatisfaction was communicated to the U.S. Comptroller of the Currency. Since that time, the banks and U.S. Government officials have contended that Korean banks receive treatment as "nationals" in the U.S., but that the reverse is not the case.

The pressure on the Korean Government for a change in policy has not abated.

A Ministry of Finance official counters that it has taken time to lay the groundwork for opening the financial system to increased competition.

Opposition to liberalisation in the banking sector has already been voiced in the country's Press. It can be expected to be an issue when the National Assembly convenes in June. But, as the Ministry of Finance official says, there is little legislation required to effect the changes, and the brief on the liberalisation now published has left some highly emotional issues untouched. For instance, foreign banks will still not be permitted to own land.

Foreign bankers have welcomed the Finance Ministry's announcement. One American banker says: "A lot of face is riding on the 25-page Finance Ministry brief"—and he is certain the Government means to make the transition work. A European banker says he expects some "rough with the smooth," but thinks it an important step.

Another banker says no one should underestimate Korean bankers' ability to compete. Finance Ministry statistics show that the market share of foreign banks at the end of 1983 was 1.9 per cent for deposits and 8.4 per cent for loans.

Kim Mahn-Je

Mr Kim Mahn-Je, the Minister of Finance, suggested in a meeting with foreign bankers recently that other types of liberalisation would occur in the financial sector as conditions permitted. He indicated that new merchant banks may be allowed to open, and that next year some consideration will be given to introducing new products such as certificates of deposit.

The possibility of liberalising interest rates should strengthen and has been described by Ministry of Finance officials as their "number one" objective. Inflation has slowed down, and savings are increasing at the rate of 30 per cent a year.

The difference in interest rates between the banking sector and the non-banking sector, according to the Ministry's figures, has been reduced considerably. Debenture interest is now down to 13 per cent and commercial paper down to 11.7 per cent. The gap is expected to shrink even further this year to a difference of only 1 per cent.

The Government is committed to a more competitive and integrated financial market. It has already demonstrated its commitment by reducing barriers between financial segments. Large securities houses were allowed recently to participate in some money market activities, and commercial banks to accept trust deposits, set up investment trusts, and engage in factoring.

The conditions for bold changes in Korea's financial system seem to be ripe, and the committed leadership is also in place. Nevertheless, the transition to a more open financial system will not be easy, and the domestic banks will be under pressure to bring their return on assets more in line with the competition's.

COMPETITION IN THE SECTOR

	Foreign banks			Domestic banks*		
	Assets won (bn)	No. of banks	Ratio of profits to assets %	Assets won (bn)	No. of banks	Ratio of profits to assets %
1980	1,853	33	2.1	10,470	5	0.8
1981	2,700	39	1.8	13,340	5	0.6
1982	3,594	43	1.4	17,389	5	0.2
1983†	3,857	46	1.4	20,704	5	0.2

* Operating on nationwide basis. † Preliminary figures.

INTL. COMPANIES & FINANCE

Elders opens new chapter for Pica

BY CHRIS SHERWELL IN SINGAPORE

A SIGNIFICANT chapter in the fast-moving story of Asian banking came to an end last week with the takeover of Pica—the Private Investment Company for Asia, headquartered in Singapore—by a subsidiary of Elders IXL, the large Australian trading group.

Pica, with 240 institutional shareholders from 24 countries, is indirectly the first foreign banking victim of the Phillippines, US$25bn debt crisis. But the takeover also reflects an international trend away from consortium banking and the increasing sophistication of banks willing to act on their own in the high-growth Asian region.

Set up 15 years ago to help the private sector in Asian Third World countries, Pica was unique in offering finance for new and expanding companies in the form of investment capital or credit facilities and in providing investment banking services to help with project finance, the underwriting of equity and debt issues and mergers or acquisitions.

"Pica has fulfilled its mandate," says Mr Makoto Yasuda, executive vice-president. "It has directly invested in more than 100 companies in the region, and extended loans amounting to US$500m—a lot of money considering most of it went to small and medium-sized companies."

But Mr Yasuda acknowledges that history and events have moved against the organisation In 1969, there were few private sector financial institutions in the region and limited investment in unquoted private sector companies, which badly needed help. Pica filled that need.

But by the mid-1970s other banks and financial institutions were moving to help Asian companies directly in order to build on the region's surging growth. At the same time it was never easy dealing with shareholders from the U.S., Europe, Japan, the Middle East, Australia and South-East Asia, who had only 0.5-0.8 per cent stakes worth barely $250,000 each.

Worst recession since WW II

By 1982, the worst year of the worst recession since the Second World War, Pica was about to make its first loss, and the writing was on the wall. Though profit was not the organisation's only objective, it was pre-eminently profit-orientated. It was also becoming clear that, in the long run, Pica was going to require a fresh capital injection.

Then last year's events made more urgent the need for a stronger parent, or at least stronger shareholders to stand behind Pica. The flood of capital from the Philippines after the assassination of opposition leader Benigno Aquino led to a moratorium on debt repayments, and the crisis caught Pica firmly in its grasp.

Pica's exposure in the Philippines amounted to U.S.$57.5m, more than a fifth of the total U.S.$27bn, and comprised U.S.$40m in loans, U.S.$14m in guarantees and U.S.$3.5m in equities. Although Pica had a good relationship with the Philippines and its loans were performing—interest payments were continuing, though with delays—concern quickly grew over repayments of principal.

Banks lending to Pica became reluctant to renew lines of credit to Pica, and this created the beginnings of a liquidity problem which needed solving quickly. The Elders solution emerged as Pica's financial advisers, Lazard Freres of New York, were tackling the longer-term issue of reshaping the consortium formula for the future.

Mr Peter Wodtke, a former Pica president and an adviser to Elders—which was itself a Pica shareholder—brought the two together, and after a few weeks of talks the boards of the two companies agreed terms.

Under the deal, which has still to be approved by Pica shareholders, Elders Finance and Investment Company pay just U.S.$20m for an all-important break into financial services in the Asia-Pacific region along with Pica's nine-office network and its skills and experience of operating in 12 countries. The amount is just one-third of the U.S.$65m paid in by shareholders, and reflects the significance of the Philippines exposure and the liquidity presures which were prevailing at the time.

As Pica has won both the backing it needs and access to Elders' resources, its creditors appear to have relaxed this pressure. For its part, Elders, with 20,000 employees in 23 countries, can now build up financial activities in the Asia-Pacific region to buttress its world-wide trading operations and expand its existing financial capabilities in the US and Europe.

Elders-Pica, as the new institution will be called, is still expected to be involved in merchant banking and equity investments, but will now become more profit-oriented, by doing more venture capital investment and taking on trade financing, and less long-term in its outlook by taking on fewer long-life projects.

Necessary metamorphosis

Pica, even without the Philippines problem, would have had to undergo this sort of metamorphosis. It had returned to profit in 1983, but net earnings of US$1.1m were helped by an extraordinary gain from the sale of premises in Singapore and the revaluation of equity assets, and were overshadowed by a heavy provision of US$4.2m for losses on loans to four companies.

Officials acknowledge mistakes in investment in energy-related and textile industries, but point to success in downstream agricultural activities such as palm oil processing. This mixed picture, however, is not reckoned to be an unhappy one. Pica, having done the job it set out to do 15 years ago, is now moving into a new phase—courtesy of Elders.

HK merchant bank ahead

HONG KONG — Standard Chartered Asia, a recently organised merchant bank wholly-owned by Standard Chartered group of the UK, reported pre-tax profits of HK$61.7m (U.S.$7.9m) in 1983, a 27.3 per cent increase from the year earlier, reports AP-DJ.

The loan portfolio increased 42 per cent to HK$4.9bn, about 60 per cent in Hong Kong and the remainder offshore.

AGC boosts first half by 20%

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AUSTRALIA Guarantee Corporation, the country's biggest finance company, say a 20.3 per cent improvement in consolidated net operating profit in the half-year to March 31, from A$41.6m to A$50.1m (U.S $46.1m), despite what it calls "generally subdued" demand for finance.

AGC is 76.8 per cent owned by Westpac Banking Corporation, Australia's largest private trading bank.

The improved result was achieved after increases in interest on borrowings to A$305m (A$245.4m in the previous corresponding period); in tax to A$39.4m (A$35.3m); and in depreciation, A$4.4m (A$2.2m).

Interim dividend is unchanged at 5.5 cents per stock unit payable on June 15, while earnings were 17.8 cents per ordinary stock unit, against 17.1

Net receivables rose by 42.2 per cent to A$5.1bn, the advance mainly reflecting inclusion of the general credits group from last July 1. From September 30 to March 31, however, net receivables rose by only 2 per cent.

Profits in the second half are expected to exceed those of the first because of increased demand for finance, the planned realisation of securities relating to non-income producing debts, and improved property markets.

● Mr Robert Holmes a Court's Perth-based Bell Group yesterday won shareholder approval for the issue of 9.2m convertible preference shares at A$6.50 each (A$1 face value, A$5.50 premium). The issue will raise A$60m.

The vote followed rowdy scenes on Wednesday, when a general meeting of shareholders was adjourned for 24 hours because of dissatisfaction with the wording of the resolutions.

North-West Shelf gas output delayed

SALES of natural gas from the A$2.1bn (U.S.$1.9bn) first phase of Australia's biggest resource project, the North-West Shelf venture, will not start on July 1 as planned, but early in the second half of 1984, writes Our Sydney Correspondent.

Mr Geoff Donaldson, chairman of Woodside Petroleum, the project's key partner and operator, said construction of the on-shore plant had fallen slightly behind schedule because of industrial disputes and cyclones.

However, he told yesterday's annual meeting in Perth that the first sales of North-West Shelf gas, and the first direct cash flow to Woodside after a 30-year period of exploration and development, should start early in the second half

The company is said to be "extremely optimistic" that negotiations with the eight Japanese utilities which have signed memoranda of intent to buy the total output of LNG from the project's A$8.5bn second stage would be completed by the end of 1984.

UK COMPANY NEWS

CASE exceeds forecast with £4.1m profit

PROFITS OF £4.12m have been achieved in the year ended March 31 1984 by Computer and Systems Engineering. This compares with at least £3.9m forecast in the middle of last month with the announcement of the acquisition of Rixon of the U.S., which is also in the data communications equipment manufacturing field.

The final dividend is the promised 2.74p to make 4.1p net for the year, and there is to be a scrip issue with details accompanying the annual report which is to be posted on June 4. The dividend compares with 3.9375p actual paid for the previous 15 months period—equal to 3.15p annually, profit for that period came to £1.7m.

Mr Duncan Fitzwilliams, the chairman, says a large number of factors have contributed to the success story, not the least of which has been the attitude of the staff. Their individual productivity rose substantially with turnover per person up from £41,200 pro-rated to £51,400.

There has been a strategic decision to increase both manpower and capital investment in research and development. This has made the group richer in products than ever before, and the directors plan to continue this policy in the current year.

As regards the current year the prospects "look promising," but it is too early to give any meaningful indication of trading.

For the year turnover expanded to £37.17m, from the £29.34m of the previous 15 months, and operating profit came to £4.14m (£1.5m). After tax £806,000 (£152,000) and extraordinary debits £394,000 (£286,000), the net available profit was £2.92m (£1.27m). Fully diluted earnings are shown at 35.1p (16.7p) per share.

The tax charge represents provision for deferred tax reduced by ACT, which had previously been written off. Deferred tax has been calculated taking into account future capital expenditure and the proposed tax changes in the Budget. The amount of the tax charge relating to deferred tax on timing differences is shown as the extraordinary item.

At March 31 group net assets had moved ahead from £12.51m to £15.24m, with fixed assets amounting to £7.16m (£3.87m) and net current assets to £8.51m (£9.19m).

The EGM to consider the acquisition of Rixon will be held on May 24 and the AGM is called for June 27. The acquisition is costing the company nearly £23m and will be financed by the issue of 3.53m new shares in a vendor placing to City institutions, and they may be required to sell half to existing shareholders.

● comment

CASE left enough in reserve to beat its own profits forecast of £3.9m made last month which put the shares up 20p to 820p. The company has essentially transformed itself from a high-volume distributor of U.S.-made equipment into a UK maker of high margin data communication products. Its size and shape will change significantly when the £23m acquisition of U.S.-based Rixon announced last month is complete. Rixon makes a range of complementary products but its great attractions are that it already makes CASE equipment under licence and has its own ready-made distribution network in the U.S., potentially CASE's biggest market. The venture fits neatly with existing operations but success in this highly competitive business also depends on CASE's continuing ability to generate new products—research and development spending is to go up from £2.6m to more than £4m this year. The company has the financial strength to keep up the pace—Rixon is being bought with the issue of new shares and there are no borrowings. The new group could make £8 to £9m pre-tax this year, including eight months' contribution from Rixon, putting the shares on an attractive prospective multiple of about 17, assuming a 30 per cent tax charge.

John Finlan expects uplift from recent developments

TAXABLE PROFITS at John Finlan, a Cheshire-based builder and land developer, fell from £592,021 to £480,121 in calendar 1983.

However, the directors point out that the profit does not reflect any benefit from the developments at Harrow, Manchester or Reading, but which are included in the group's record turnover of £6.41m against £4.61m.

Some £2.75m of Finland's turnover was attributable to the value of work done on uncontracted developments at these sites.

Collectively these developments are expected to produce annual rental income in excess of £500,000, of which £202,000 relates to property which has been pre-let to a major public company.

Also accompanying the results is an announcement concerning appointments to the board.

Mr Graham Ferguson Lacey has been appointed non-executive chairman. He is chairman and chief executive of Amadeus, which recently announced that it held 20 per cent of Finlan's equity.

Mr John Finlan, currently group chairman, becomes executive deputy chairman, while the other executive directors will continue in their present role. Three non-executive directors have also been appointed. They are Mr P. B. Meara, Mr David d'Ambrumenil and Mr G. J. Ward.

The company says that the new Amadeus directors are committed to assist it in implementing its policy of growth by acquisition. To this end, a number of opportunities are being investigated and it is hoped that an early announcement will be made.

For the year under review the directors are recommending a higher final dividend of 4p which lifts the total payout to 7p (6.25p). They also propose to make a scrip issue on the basis of one-for-one.

Net profits came out at £295,766 (£373,870), after tax of £184,355 (£218,651), for earnings per 10p share of 9.55p (12.44p).

Dividends will absorb £210,000 (£187,500), leaving a retained profit of £85,766 (£185,870).

The directors say that shareholders should note a changing trading pattern within the company. In the past the well established performance in successful completion of design and building contracts meant that profits could be taken throughout the life of the contract.

They say that an increasing proportion of the company's efforts is being channelled into development work, which is only manifest in the accounts when the development is completed and let, and the investment is retained or sold.

● comment

What we have here is a company whose pre-tax profits are almost unchanged since 1969, the year before it went public, and whose shares are on an historic p/e of 21 at 210p. Plainly, something is afoot. Events at Finlan have been confusing lately, especially, one imagines, for founder Mr John Finlan, who in the past ten months has been chairman, then deputy chairman, then chairman, then deputy chairman again. With the departure of Mr Stewart Jameson—whose ideas for acquisitions were apparently unpopular—the company now has at its head the unsinkable Mr Graham Ferguson Lacey, whose offshore investment company owns 20 per cent of the equity. It is Mr Lacey's brief, too, to seek acquisitions. That apart, he is confident that the developments at Harrow, Manchester and Reading, the costs of which are in these figures but not the profits, will produce great things in the current year. But Mr Lacey's past record on acquisitions could be charitably described as mixed. Investors might be advised to wait and see.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Altifund (capital)	0.27	July 9	0.25	0.39	0.36
Altifund (income)	5.3	July 9	5	7.8	7.5
Computer Systems	2.74	July 5	2.36	4.1	3.94¶
John Finlan	4	July 12	3.25	7	6.25
Fleming Far Eastern ...	1.5	July 6	2	2.0	3.5
Highcroft Inv	2.1	July 5	1.9	3.5	3.15
S. Lyles ....int	2.5	June 1	2.5	—	6.75
Milletts Leisure	4	July 19	4	6.95	6.95
Scott & Robertson	1.25	July 13	0.75	1.98‖	0.75
S. Simpson ....int	1.5	June 29	1.31	—	4
J. O. Walker	3	July 6	2.5	4.5	3.5
Wemyss Invest ......int	7	July 2	7	—	20

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For 15 months. ‖ For 10 months.

Tate & Lyle renegotiates certain sugar contracts

Tate & Lyle confirmed yesterday that it was renegotiating certain sugar contracts, but refused to give details since this might prejudice the results of negotiations going on.

The company said, however, that even if it had to make any provisions against potential losses, the overall group half-year results, to be announced on May 30, would be very satisfactory.

Sugar market sources said it believed Tate & Lyle had been involved with some problems with shipments from Indonesia and possibly Thailand.

Net revenue for the second quarter to March 31 at Redpath Industries, Tate & Lyle's major Canadian subsidiary, was C$5.19m (£3.4m) or C$1.34 per share compared with a profit of C$2.19m or C$0.47 per share for the same period last year. Revenues of C$91m in the quarter were C$6m higher than in the corresponding quarter.

Total net income for the first six months was C$12.66m or C$2.73 against C$5.4m and C$1.17 per share.

The directors say sugar operations in eastern Canada and the north eastern United States contributed significantly to the strong second quarter results. Their prospects for the remainder of the year are good.

The construction materials division achieved a record level of second quarter profits on revenues which were up more than 25 per cent over the previous year.

On March 30, the company completed the sale of its 50 per cent interest in Zymaize Company to its partners in the joint venture.

The company's share price closed 410p, down 3p yesterday, after being as low as 400p.

BP confident on outlook: aiming at dividend lift

Sir Peter Walters, chairman of the British Petroleum Company, told the annual meeting that he looked forward to a continuation in 1984 of the improved results which the restructuring and cost savings had started to bring about.

Shareholders were told that the results and performance being seen enabled the directors to look forward to the future with "considerable confidence."

He stressed that one of BP's aims was to bring about a substantial increase in the dividend now the fruits of the reorganisation were coming through in the financial results.

The meeting was told that the group's heavy capital investment programme would continue—in the current year BP expects to spend some £2bn, all paid for from internally generated funds.

The chairman pointed out that despite what some critics have said the North Sea had a "great future" and remained a major strength to the group. He added that BP's plans to develop four new gas fields in the southern North Sea should yield nearly as much energy, at comparable cost, as the Magnus field which it brought on stream in 1983. Prospects for a continuation of stable oil prices were still "good."

Bids and Deals Pages 26 and 27

Referring to the Chancellor's willingness to consider whether special tax treatment is needed to foster Enhanced Oil Recovery (EOR) Sir Peter said the importance of this activity is hard to exaggerate.

He explained that under present technology when an oilfield comes to an end of its productive life there may be as much oil left in the ground as has been taken out.

Shareholders were told that if EOR enabled BP to get 5 per cent more out of the Forties Field this would mean an extra 100m barrels, about the size of many new fields currently awaiting development. At the present price of oil this would be equivalent to a gross value of over £2bn.

See Lex

Cadbury sees challenging year ahead

At the agm of Cadbury-Schweppes, Sir Adrian Cadbury, the chairman, told shareholders that the present "favourable trends" should enable the company to attain the challenging objectives set for 1984. He was confident that the year ahead would prove to be one of further achievement.

In March the company announced a 19 per cent increase in profits, to £106.9m, and a major capital expenditure programme in the U.S.

Current sales were ahead of this time last year, and in particular Easter sales in the company's major confectionery markets have been "most satisfactory," Sir Adrian said.

Consumer demand for the main new chocolate brand, Wispa, continued to exceed expectations.

He added that the arrival of summer weather in Europe had brought about an early seasonal uplift in the soft drinks market, and the company's new [illegible] brand of carbonated pure apple juice promised to be an important product in that sector.

COMPANY NEWS IN BRIEF

Mr F. J. Essex, the chairman of W. Canning said at the agm that sales for the first quarter were slightly in advance of budget and, compared with the first quarter last year, show quite a gratifying improvement.

The improvement stemmed principally from higher volumes of speciality chemicals sales in the UK and in the Far East, he said.

He added that the electronic components distribution company achieved record sales in the first quarter and appears to have overcome the supply difficulties experienced in the latter part of 1983.

* * *

Net asset value per £1 share of the Wemyss Investment Trust improved from 527p to 638p in the half-year to March 31 1984. Earnings per share rose from 9.5p to 10.9p. The trust reports franked investment income up from £180,000 to £206,000, and higher unfranked income of £247,000 against £220,000.

Pre-tax profits were £410,000 compared with £362,000, and were struck after underwriting commissions totalling £2,000 (£3,000) and management expenses up from £41,000 to £45,000. The interim dividend is unchanged at 7p net—last year a total of 20p was paid.

The directors say the outlook for resources related investments continues to be attractive at this stage of the economic cycle.

* * *

The £17m 7 per cent convertible unsecured loan stock 1997-2004 offered by way of rights to the shareholders of Home Charm was over 97 per cent taken up.

* * *

Dufay Bitumastic had shown progress in the current year, the annual meeting was told. Turnover continued to improve at some 25 per cent higher, order intake was well ahead of the last few years, and profitability for the first quarter was running double that of the corresponding period last year.

The directors believed that the recession had finally bottomed out and that a sustainable upturn had come.

* * *

Net asset value per 25p share of Drayton Consolidated Trust rose to 379⅜p in the six months to March 31 1984. This compares with 331⅜p as at September 30 last and 294⅛p at end-March 1983.

Net revenue for the first six months declined from £1.28m to £1.08m after tax of £595,900, against £392,000. Earnings per share fully diluted fell from 3.64p to 3.09p but the net interim dividend is held at 2p.

* * *

At the annual meeting of Brent Chemicals International, Mr H. W. Cross, chairman, said the upturn which began during the fourth quarter of 1983 had continued in the first four months of the current year. This resulted in a satisfactory increase in business compared with last year.

The group was in a strong financial position and the board was confident that prospects for profitable growth remained good, he told members.

* * *

The Fleming Far Eastern Investment Trust reports an increase from 220.7p to 329.6p in net asset value per share, but earnings per 25p share fell from 3.93p to 2.19p in the year to March 31 1984.

The final dividend is cut from 2p to 1.5p net for a total down from 3.5p to 2p. The total bettered the forecast of 1.5p. Gross income totalled £2.66m (£3.38m), of which £146,000 (£1.99m) was franked and £2.51m (£1.38m) unfranked. Other unfranked income was lower at £249,000 (£420,000).

Pre-tax profits were £2.37m against £3.45m, and these were struck after management expenses of £224,000 (£250,000) and interest charges up from £94,000 to £307,000. After dividends, £98,000 was transferred to reserves compared with £218,000.

* * *

Net asset values at Altifund, investment trust, fell from 51.52p to 51.13p per income share, but rose from 382.53p to 485.32p per capital share, in the year 1983.

Pre-tax revenue declined marginally from £529,384 to £527,663, while tax took an increased £160,202, against £158,916.

UK COMPANY NEWS

Recovery maintained at Barton Transport

THE CONTINUING policy of rationalisation and reorganisation at Barton Transport, coach operator, has resulted in a pre-tax profit of £153,182 for the 24 weeks to March 10 1984, against last year's £53,526 loss for the comparable period.

The surplus includes an £84,936 gain on the disposal of fixed assets, and follows the £173,488 profit made in the last full year, the first positive result for five years.

There will be no interim payment. Barton is a close company.

The improved result was achieved on turnover which rose only slightly, from £3.43m to £3.55m. Trading result moved from a loss of £53,526 to profit £50,633. The directors state that as the first trading period of the year is usually less rewarding than the second, the position should be maintained for the remainder.

Investment income contributed £3,173, against £3,198, and associated companies £14,440, against £13,240.

The total tax bill came to £6,756 (£7,409), of which associated companies were liable for the major share, at £5,804 (£6,450). The group tax charge for the period, £952 (£959), is on investment income only, other profits escaping liability because of high capital expenditure allowances.

Confidence at Milletts as improving trend continues

THE IMPROVING trend noted by Milletts Leisure Shops during the opening six months continued in the second half and enabled the group to more than double its trading profits to £422,000 for the *full* year to January 30 1984.

Pre-tax profits are shown to have fallen by £436,000 to £431,000 but these figures were struck after taking in a surplus of only £9,000 this time on the *disposal of fixed assets* compared with £661,000 in 1982-83.

The dividend for the year is being maintained at 6.95p from earnings of 4.8p (11.7p) per 20p share, by a same-again final of 4p.

Mr Alan Millett, *the chairman*, says that helped by the upturn in the economy and taking into account the group's recent acquisitions and further planned expansion and development the current year is viewed with confidence.

He tells shareholders that the group eliminated its bank overdraft by year-end as a result of further planned stock reduction and the closure of six of the smaller units which the directors considered were no longer economic to operate.

Mr Millett adds that after extensive market research the directors have decided to introduce a new corporate identity for the group's shops and a "new look" to its merchandising. It is anticipated that "*considerable benefit*" *will flow* from this concept.

Turnover for 1983-84 (excluding VAT) expanded from £18.34m to £20.06m—Milletts has over 100 shops nationwide selling such products as camping equipment, men's and boys' clothing *and footwear, industrial clothing* and sportswear.

Apart from the property disposal surplus pre-tax profits were struck after deducting £559,000 (£548,000) for depreciation £261,000 (£411,000) for interest and a £4,000 (£11,000) share of associates' losses.

Tax took £169,000 (£248,000) to leave net profits at £262,000, compared with £619,000. Below the line minorities accounted for £14,000 (£13,000), extraordinary items £64,000 (nil) and dividend payments £334,000 (£312,000). The retained deficit emerged at £150,000 (£294,000) surplus.

Last month Milletts purchased *the business of Lewis Enterprises* (Gents Wear) for £720,000. This company has 12 shops in Scotland retailing leisure and fashion wear under the name Chelsea Boy. For the year to November 30 1983, the company made a pre-tax profit *of £117,000 on a turnover of* £2.06m.

The directors are confident that the acquisition will be of benefit to the group and "view with optimism the selective introduction to our stores of the new dimension of leisure merchandise presently offered by the Chelsea Boy shops."

At Easter the group opened a store in Perth, incorporating its "new look," and it has made an "encouraging start." Later this year three new stores are being opened and two existing stores are being resited in improved trading positions.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the *purpose of considering* dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Swindon Private Hospital, Transvaal Consolidated Land and Exploration.

Finals: Air Call, Bestwood, Percy Bilton, Border Breweries (Wrexham), Sir Joseph Causton, Liberty, Littleshall, Midland Marts, Miles 33, John Mowlem, Tootal.

FUTURE DATES

Interims—

Lake and Elliot	June 13
RHP	May 17
Trafalgar House	May 9
Tunstall Telecom	May 23
Tyne Tees Television	May 25

Finals—

Boots	May 23
Buckley's Brewery	May 24
Chamberlin and Hill	May 16
Courtaulds	May 29
Foster (John)	May 10
Readicut International	May 14
Whitbread Investment	May 23

Volume up but margins squeezed at S. Lyles

A REDUCTION in profit margins at S. Lyles undermined gains made in both turnover value and volume in the six months to end-December 1983.

Carpet yarn spinner and dyer Lyles experienced a £1.84m rise in turnover to a record £8.3m but, with higher raw material and premium overtime costs, taxable profits fell from £271,000 to £209,000.

Although this shortfall is unlikely to be recouped by the year end, Mr John Lyles, the chairman, says that activity remains at a high level and the downward trend in margins has *been reversed.*

In the last full year the company achieved profits of £636,000 on turnover of £14.13m, which was split between home £8.91m and exports £5.22m.

A breakdown of first half sales reveals that most of the increase *was achieved at home with a rise* from £3.91m to £5.5m, while exports rose to £2.8m, against £2.55m.

Earnings per 20p ordinary fell by 1.63p to 3.03p but still cover the maintained interim dividend of 2.5p net. Tax took £79,000 (£82,000) and preference dividends absorbed £20,000 (same), leaving attributable profits at £110,000 (£169,000). The ordinary dividend payments will cost £90,797.

In the year to last June, earnings were 11.59p and a higher final dividend of 4.25p (3.75p) was paid.

Scott & Robertson picks up and earns £785,000

THE HIGHEST level of operating profit for four years has been reported by Scott and Robertson, a manufacturer and merchant of flexible packaging products, for the ten months to end-December 1983.

On turnover of £17.79m, against £17.54m for the previous 12 months, the company achieved operating profits of £825,237 compared with £195,070. After a sharply lower interest charge of £40,401 (£103,106), profits at the taxable level rose by over eight times from £91,962 to £784,836.

The total dividend payout for the period is being lifted to 1.98p (0.75p) net with a final payment of 1.25p. Earnings per 25p share leapt from 1.74p to 10.31p.

A good start has been made to the current year by all of the four operating subsidiaries, the directors report, but it is too *early to forecast the year's outcome.*

There was a £25,446 tax charge and a £22,320 deduction for minorities this time.

After extraordinary debits of £559,792 (£567,183) there was an *attributable profits of £177,278* (loss £475,221), from which dividends will take £144,265 (£41,312).

The extraordinary items consist of losses arising from closure and relocation of operations of £61,053 (£188,305); surplus on purchase and subsequent cancellation of unsecured loan stock £26,188 (£9,419); expenses of acquisitions of subsidiary company nil (£88,297); provision against investment in related company £400,000 (£300,000); loss *on disposal of subsidiary company* £124,927 (nil).

Norwich Union goes for equities and property

THE Norwich Union Group continued to be a strong investor in equities and property in 1983 for its UK long-term funds. Of the £376m of new money, £174m was invested in equities and £79m in property, £100m went into gilts.

Mr Michael Falcon, in his chairman's statement, points out that the investment in gilts was lower than that of many other *life companies.* But he emphasises that the growth in dividends and rents has far exceeded that anticipated at the time of investment and this enables Norwich Union to be in the forefront in bonus payments to policyholders.

Mr Falcon tells shareholders that the group is not averse to taking investment risks on a controlled scale. It has expanded its investments in oil exploration and production, making a successful bid for a share in the Forties Field sold by BP. The group is also involved in providing venture capital for unquoted companies through its subsidiary Castle Finance.

Total long-term funds rose by more than £600m during 1983 to £3.77bn. Premium income rose over £100m to £578m and investment income by nearly £40m to £365m.

At the end of the year *total* investments in the long term fund amounted to £4.66bn, with equities accounting for £1.66bn, property £1.43bn and gilts £888m.

The operations of the Fire Society, transacting general *insurance business of the group,* showed underwriting losses in 1983 up from £19.2m to £22.5m on fire and accident business and from £1.6m to £3m on marine and aviation business.

Granville & Co. Limited

Member of NASDIM

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

Over-the-Counter Market

1983-84 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	132	—	6.4	4.8	7.7	10.0
158	117	Ass. Brit. Ind. CULS	144	—	10.0	6.9	—	—
78	62	Airsprung Group	62	—	6.1	9.8	17.7	17.7
38	21	Armitage & Rhodes	34	—	—	—	—	—
330	141½	Bardon Hill	330	—	7.2	2.2	13.4	27.4
58	53	Bray Technologies	54xd	—	3.5	6.5	6.3	9.0
200	197	*CCL Ordinary*	200	—	6.0	2.5	—	—
152	121	CCL 11pc Conv Pref	152	—	15.7	10.3	—	—
640	100	Carborundum Abrasives	540	+10	5.7	1.0	—	—
249	100	Cindico Group	103	—	17.6	17.0	—	—
69	45	Deborah Services	69	—	6.0	8.7	35.9	60.0
220	75	Frank Horsell	220	—	—	—	9.2	15.1
202	75½	Frank Horsell Pr Ord 87	202	—	8.7	4.3	8.5	13.9
69	28	Frederick Parker	31	—	4.3	13.9	—	—
39	32	George Blair	38	—	—	—	—	—
80	46	*Ind Precision Castings*	50	—	7.3	14.6	13.8	17.2
2185	2150	Isis New Fully Pd Ord	2185	—	150.0	6.9	—	—
365	134	Isis Conv Pref	366	—	17.1	4.7	—	—
122	61	Jackson Group	122	—	4.5	3.7	6.4	12.5
255	169	James Burrough	255	—	11.4	4.5	14.0	14.5
420	275	Minihouse Holding NV	420xd	+5	4.2	1.0	30.2	33.0
176	97	Robert Jenkins	97	—	20.0	20.6	11.2	7.6
74	57	Scruttons "A"	57	—	5.7	10.0	9.5	6.9
120	61	Torday & Carlisle	70	+2	2.9	4.1	—	—
444	385	*Trevian Holdings*	440	—	—	—	9.0	8.2
26	17	Unilock Holdings	18	—	1.0	5.5	11.8	17.1
82	65	Walter Alexander	85	—	6.8	8.0	7.5	9.9
276	236	W. S. Yeates	247	—	17.1	6.9	5.9	11.8

Tricentrol sale in U.S. raises £52m to reduce debt burden

BY MAURICE SAMUELSON

Tricentrol, the UK oil company, said yesterday it had sold its onshore oil interests in the U.S. to BASF, the West German chemicals group.

The $73m (£52m) deal, signed in Houston, Texas, covers Tricentrol's operations with offices in Houston and Denver, but excludes its interest in a gas field in Montana as well as offshore interests in the U.S.

The sale is intended to reduce the debt burden of Tricentrol which has been the subject of a recent spate of takeover rumours.

The company had $111m of U.S. debt at the end of 1983. Total debt was £129.8m — almost double the level of a year earlier.

Tricentrol said the properties being sold off had reserves of 7.4bn barrels of oil and more than 400,000 undeveloped acres.

The Houston and Denver operating assets will be acquired by Wintershall, a wholly owned subsidiary of BASF, which operates oil refineries in West Germany and has other widespread oil and gas interests, including some in the U.S.

Besides retaining its interest in the Bear Paws gas field in Montana, Tricentrol will concentrate its U.S. resources on 32 offshore tracts near the Gulf coast of Mexico, where the group has spent $50m over the past three years.

Its North American interests will in future be administered through separate regional operating companies in Canada and the U.S. A new office will be formed in Houston to administer investments in the Gulf of Mexico.

Star Computer disposes of Roachward for £550,000

BY CHARLES BATCHELOR

Star Computer, which supplies computer systems to accountants, has sold its leasing subsidiary, Roachward, to an unnamed buyer for £550,000, including debts owed to Star and a dividend for

Mr Jack Schumann, joint managing director of Star, said plans for negotiation of the sale had begun before the 1984 budget removed many of the tax incentives attached to leasing.

Star did not want to be faced with a growing deferred tax liability on its leasing business, he added.

"We did not want to see our leasing company grow over our heads. We have been able to dispose of it without having to provide for the claw-back of deferred tax."

Star has sold Roachward to a company which has a tax position that will allow it to benefit from Roachward's leasing busines, he said. Star has since established another leasing subsidiary.

On the disposal date Roachward had £650,000 of underlying assets in the form of its investment in finance leases. Unaudited attributable net profits in the year ending April 30 1984 were about £75,000. Star plans to use the proceeds of the sale to increase its working capital.

ECC and Tarmac expand in building materials

BY RAY MAUGHAN

English China Clays and Tarmac, two major quarrying groups, have agreed to pay a total of almost £46m to extend their respective interests in the building materials industry.

The common aim is to add value to their basic quarry products by diversifying further into their customers' markets in brick and concrete block manufacture.

Tarmac is expanding its building materials division with the £28.6m acquisition of C. H. Beazer's interests in the sector. The purchase consists of R. B. S. Brooklyns, the concrete products subsidiary, and Westbrick, the quality facing brick manufacturer, for which Tarmac is paying a total of £20.6m in cash, plus a further £3.7m in repayment of inter-company loans and £4.3m by way of dividends.

At the same time, English China Clays has agreed to pay £17.14m for Charcon from Charterhouse Corporate Investments which, in turn, is a subsidiary of Charterhouse J. Rothschild, the fast expanding financial services group which is to be renamed Alliance Rothschild Charterhouse.

Charcon is a major manufacturer of hydraulically pressed concrete flags, kerbs and edgings with plants at Hulland Ward and Wirksworth in Derbyshire, Bardon Hill in Leicestershire, Nuneaton in Warwickshire, and Chryston near Glasgow. Acquired by Charterhouse in 1960, Charcon produced sales of £27.45m last year and made record profits before tax and extraordinary items of £2.27m against £693,000.

Mr Michael Morley, managing director of Charterhouse Corporate Investments, said yesterday that Charcon "has achieved a substantial profit recovery and is a very successful company. But," he added, "it is time to move on."

He said that ECC had been "identified as the best purchaser for the business" and given that the thrust of Charterhouse J. Rothschild is now directed toward the financial services industry, the 20 wholly or majority owned industrial subsidiaries within Charterhouse Corporate Investments would probably be sold over time.

ECC runs what it describes as "one of the largest construction block makers in the country" within its quarries division which, in the year to September 1983 increased profits from £9.44m to £13.35m. The deal is conditional on clearance by the Office of Fair Trading.

Beazer, the fast-expanding West Country-based construction and housebuilding group, has been engaged in the brick and concrete products industry since it acquired Westbrick Products for about £4m three years ago. Westbrick's concrete products were merged with Beazer's existing concrete and stone operations as R.B.S. Brooklyns while the brick operations were run as a separate subsidiary, Westbrick.

Westbrick augmented its three brickworks in the South West with the £3m acquisition of three more plants in the North East last year from Bowater Crossley.

The division, as a whole, made pre-tax profits of £2.3m, before management charges, in the 12 months to June last year and is estimated to have made about £3.1m on sales of £16m in the subsequent nine months. Net worth, at March 31, is calculated at £10m before dividends and inter-company loans.

Beazer had said previously that it intended to develop as a broadly based building conglomerate but revealed yesterday that it had approached Tarmac because it now believed that the building materials interests "may be capable of more profitable development under different ownership."

The deal expands Tarmac's stake in the concrete products sector, which utilises its aggregate reserves as a raw material, and marks its first entrance into the brick industry with Westbrick's current production of 125m brick annually. That is worth about 3 per cent of the total brick market and between 13 and 15 per cent of the specialised facing brick segment.

The acquisition also incorporates Beazer's 17 per cent holding in Blockleys, the Telford-based brick manufacturer.

Beazer has recently expanded its housebuilding activities with the £7.9m acquisition of Monsell Youell and retained 65 per cent of Westbrick's W. and J. Tod defence equipment offshoot after a placing on the Unlisted Securities Market.

SE to probe Martin price rise

THE London Stock Exchange yesterday began an investigation into a sharp rise in the share price of Martin the Newsagent leading up to Wednesday's £34.4m takeover bid from W. H. Smith.

Martin, which is opposing the 260p per share offer, asked the Stock Exchange Council, the ruling body of the exchange, to examine dealings in its shares. But an inquiry was understood to be planned even before Martin's request.

If any evidence of insider dealing was found, it would be passed to the Department of Trade and Industry for action.

W. H. Smith bought no shares in Martin before making its bid. Malcolm Field, chief executive, commenting yesterday on suggestions that there may have been a leak of the company's intentions, said: "The people who knew about it were very few indeed. I'd be very surprised indeed."

Analysts who follow Martin said trading in the company's shares was normally very thin, so that a small number of trades could have pushed up the price. Martn had recently received some favourable comment in brokers' reports.

A spikesman for the Office of Fair Trading said yesterday the proposed takeover would be routinely examined for monopoly considerations.

Martin's shares, which traded steadily around 145p in early April, closed at 155p on April 18. In the next three business days, the price rose 40p to close at 195p on April 25.

On April 26, Martin said in response to Stock Exchange inquiries that it was unaware of any reason for the rise. Immediately afterwards, W. H. Smith contacted Martin and made a tentative offer.

The share price, which had dipped 2p on Thursday following Martin's statement, rose 10p to 203p on Friday while Martin's board discussed W. H. Smith's private approach.

On Monday, after talks between the two companies which resulted in W. H. Smith's rejection of possible alternatives to a full bid, Martin disclosed that it had received an approach which could lead to a bid. It did not identify W. H. Smith as the potential bidder, and W. H. Smith made no statement.

BIDS AND DEALS

Write-off of £0.7m at A & G Security

A. & G. Security Electronics, the Oldham-based maker of security alarm systems, said yesterday that its board proposed to deduct from its share premium account the amount representing the intangible assets of Carters of Burnley, which it bought last year.

Carters was acquired for £1.37m in shares, and its goodwill, industrial know-how and patents were given a value of £730,000. Of this, £24,332 was written off through amortisation in the year ended July 31, 1983, leaving £705,668.

A. & G. said it will hold an extraordinary shareholders meeting on May 25 to approve the reduction in the share premium account to £532,581.

* * *

Charles Baynes has acquired Dunelm Overall Services for £50,000 to be satisfied as to £5,700 cash and the issue of 65,157 new ordinary shares.

Dunelm, a private company based in St Helen Auckland, County Durham, has interests in the rental hire of industrial workwear, roller towel and cabinet rental and contract cleaning. Vender was Mr A. E. Theakston.

Refuge raises holding in Leopold Joseph to 29.9%

Refuge Assurance, a Manchester-based life insurance company, has increased its stake in London-based merchant banking group Leopold Joseph Holdings from 10.65 per cent to 29.99 per cent, and two West German regional banks have sold their combined 26 per cent stake.

The two banks, Bayerische Landesbank Girozentrale and Bremer Landesbank Kreditanstalt Oldenburg, sold 508,324 shares to Refuge and 173,582 shares to Scottish American Investment, an Edinburgh-based investment trust, listing its stake to 10.37 per cent.

No price for the transactions was given. Joseph shares rose 12p to 302p yesterday, valuing the company at £7.94m.

In addition to the share purchase, Refuge plans to subscribe to £2.5m of 20-year subordinated loan stock in Leopold Joseph & Sons, Joseph's merchant banking subsidiary.

Mr Tom Booth, deputy chairman and chief executive of Refuge, said the link with Joseph would allow it to take advantage of changes in the financial services sector. "It's a move towards providing a more complete service to our clients," he said, adding that savings vehicles might be among new products to be developed.

Mr Louis Heymann, Joseph's chief executive, said: "We're often accused of being cautious. This is our cautious step in the direction of the financial services field. This is a route we ought to take without losing our independence."

Mr Heymann said Joseph already has a strong rapport with Refuge, which has been a shareholder for some time, and with Scottish American, which previously held a 3.8 per cent stake. British and Commonwealth Shipping has a 15.6 per cent stake in Joseph.

The two German banks bought their holdings in Joseph in 1974, when they had no other representation in London. Mr Heymann said they will maintain a close relationship with Joseph. Bayerische has a branch in London, while Bremer plans to open a representative office.

BIDS AND DEALS IN BRIEF

In a cash and share deal worth some £600,000, **Metalrax Group** of Birmingham, engineer, has acquired **Anotrim**, Wolverhampton, aluminium fabricator and anodiser and hardwood product manufacturer. Net assets of Anotrim for the year to August 31 1983 were £494,000 and pre-tax profits was £145,000.

The initial consideration is £500,000 in cash and 200,000 new Metalrax Group 5p ordinary shares. Certain additional consideration is to be paid depending on the level of Anotrim's pre-tax profits for the 1985 and 1986 calendar years.

* * *

Henderson Group has acquired **Frontier Gate Company** from its liquidator for £70,000.

Frontier, whose failure has been attributed to cash-flow problems arising from difficulties on two major contracts, is a manufacturer of security and traffic barriers. Its acquisition reflects a further important step in expansion of the product range marketed by Henderson *security division.*

Steps have already been taken by Henderson to ensure the continuity of the trade of Frontier which will be carried on under the name Frontier Gate Co.

* * *

Northern Engineering Industries, the Newcastle-based engineering group, said yesterday it had acquired the assets of **Donkin**, a marine equipment manufacturer which had been in receivership.

Financial details were not disclosed. NEI will manufacture Donkin products at the Gateshead works of its NEI Clarke Chapman subsidiary, and will supply spares and service existing Donkin equipment.

* * *

Gartmore Investment Management has concluded arrangements with the management of **B. W. Mud** whereby Gartmore has provided the funding for the buy-out of the assets of the company from **Bristol Oil & Minerals.**

The total consideration is £4.16m of which clients of Gartmore are providing £3.3m cash to a new holding company called Orite, which will change its name to B. W. Mud Holdings.

* * *

UTC Trading Corporation, part of the United Trust and Credit financial services group plans to acquire Yankfield Properties, a property dealing, development and investment company, for an initial consideration of £900,000 and ladieswear consultancy Debcima for £50,000.

* * *

The offers by **Clabir International** for the ordinary and deferred shares of **Steau Romana (British)** have become unconditional in all respects. The ordinary offer has been extended to May 16 and will close then, while the deferred stays open until further notice.

Clabir is interested in, or has received acceptances, in respect of 7.75m ordinary shares (73.26 per cent) and 1.65m deferred (95.23 per cent), together representing 83.16 per cent of the voting rights.

* * *

Ault & Wiborg has sold the business and assets of its printing roller division to the **Printing Roller Company**, which is controlled by **John Houghton**, for some £237,000.

Pre-tax profits of the division was £33,000 in 1983 and the directors say the benefits to the group, of the sale, will be the release of working capital of about £400,000. It will also facilitate the disposal of Ault's Southfields site.

* * *

The new cash alternative of 57.5p per **Brockhouse** share, from **Evered Holdings**, has closed, gone unconditional and remains open for acceptance until further notice.

Acceptances of the recommended increased offers have been received in respect of 15.43m Brockhouse shares (89.23 per cent). Elections to receive cash under the new cash alternative have been made in respect of the existing 5.65m Brockhouse ordinary (32.69 per cent).

BANK RETURN

BANKING DEPARTMENT

	Wednesday May 2 1984	Increase (+) or Decrease (—) for week
Liabilities	£	£
Capital	14,553,000	
Public Deposits	372,978,097	— 324,808,977
Bankers Deposits	621,106,376	— 38,565,746
Reserve and other Accounts	1,541,470,713	— 88,197,375
	2,550,108,186	— 451,575,098
Assets	488,418,419	+ 103,975,000
Government Securities	603,655,092	— 26,169,864
Advance & other Accounts	1,447,088,148	— 316,042,666
Premises Equipment & other Secs.	10,797,226	— —5,397,910
Notes	149,301	— 10,342
Coin		
	2,550,108,186	+ 451,575,098

ISSUE DEPARTMENT

Liabilities	£	£
Notes issued	11,800,000,000	— 180,000,000
in circulation	11,789,202,774	— 185,397,910
in Banking Department	10,797,226	— 5,397,810
Assets		
Government Debt	11,015,100	—
Other Government Securities	2,238,320,277	— 59,13 564
Other Securities	9,550,664,623	— 239,132,564
	11,800,000,000	— 180,000,000

MINING NEWS

Wordplex striking price set at 285p

Hill Samuel has set a striking price of 285p for just under 10m shares of Wordplex, the information systems business, which it offered for sales bytender at a minimum tender price of 240p.

Applications were received for 22.4m shares and the offer was oversubscribed 1.9 times at the striking price.

Preferential applications from employees at or above the striking price have been accepted in full. The remaining shares have been allocated in full up to 1,000 shares, and 48.6 per cent for applications of 1,500 shares or more.

Dealings are expected to commence in the shares on the Stock Exchange on May 10.

Recent copper price fall could hit Phelps Dodge

THE RECENT fall in copper prices means that Phelps Dodge, one of the leading U.S. producers, will probably lose money in the second quarter of this year, according to Mr George Munroe, chairman.

Mr Munroe told the annual meeting that the group's earnings depend on the price of copper, and at current levels Phelps Dodge is "in a solid losing position."

The group lost a net US$5m (£3.6m) in the opening three months of 1984, and Mr Munroe pointed out that the deficit would have been considerably larger but for an extraordinary credit of $25m received from Washington Public Power Supply System in settlement of litigation over uranium contracts.

However, Mr Munroe was more optimistic about the remainder of the year, saying that the big programme of asset restructuring started last year should contribute over $150m by the time it is completed. The programme will enhance earnings, he added.

Last week Phelps Dodge completed the sale of its power cable business to a new company, Cablec Corporation, for about $15m.

The business, which was operated as part of the Phelps Dodge Cable and Wire subsidiary, includes power cable plants in Yonkers, New York, and Du-Quoin, Illinois, and an extra high voltage research and development laboratory also in Yonkers.

Phelps Dodge is currently negotiating the sale to a group of private investors of its building wire business, in a deal which could generate around $30m.

Previous sales included the disposal of the communications products operation last year for $50m, and of the brass production interests.

The programme of disposals will leave Phelps Dodge's domestic manufacturing operations centred on the magnet wire and bare wire businesses.

The intention of the programme, as announced a year or so ago, is to redeploy those group assets not required for the basic business in order to improve the balance sheet and provide support for plans to further Phelps Dodge's corporate goals.

These goals Mr Munroe defined as the maintenance of the group's position as a leading low-cost copper producer, and the development of a broader earnings base through diversification.

Phelps Dodge is currently the second-largest copper producer in the U.S., behind only Kennecott.

S. Simpson

The targets that S. Simpson has set itself for the current year "are still firmly in sight," the directors state.

Continued growth is reported for the first half to January 31, 1984, with turnover up from £13.12m to £16.07m and profit ahead from £373,000 to £594,000. Tax takes £230,000 (£120,000).

The interim dividend is raised from 1.3125p to 1.5p net; total for the year 1982-83 was 4p paid from profits of £843,000.

Business of the group is ladies' and gent's tailors and clothiers.

Utah defends coal price cuts

REPLYING TO criticism that it had broken ranks with other Australian coal miners by accepting a price reduction of U.S.$3 to U.S.$51 (£36.46) per tonne for its hard coking coal from Japanese steel mills, Utah Development (now controlled by Broken Hill Proprietary) said that the price was the best obtainable under current circumstances.

Utah pointed to the lower quality of its coal from the Blackwater mine, significant world over-supply and the price levels already established by Australia's major competitors.

As reported here yesterday, the Australian Government has reluctantly approved price cuts averaging about U.S.$2 to U.S.$52 per tonne on coal exports to Japan for the year to next March. The price reductions range from U.S.$1.50 to U.S.$3 depending on the quality of the coal.

Mr Lionel Bowen, the Australian Trade Minister, is reported to have blamed two companies for breaking ranks and forcing the other coal producers to accept Japanese price cuts.

Utah, however, said that other world coking coal producers had accepted significant price cuts several months ago with U.S. mines conceding prices averaging two to six dollars a tonne below the 1983 levels. Canada recently agreed to reductions of up to U.S.$2.70 per tonne, Utah added.

The company also took the view that the long term interests of Australia's coking coal industry were better served by maintaining the maximum share of the market in times of weak demand rather than by trying artificially to preserve high prices with a consequent loss of the market share.

Producers of soft coking coal are expected to seek pricing talks with the Japanese customers next week. The producers do not concede a necessary connection between soft and hard coking coal and they will therefore aim to maintain or increase their prices.

Meanwhile, mining union officials have met Mr Bowen to discuss the state of the coal industry. They expect some marginal mines, notably underground operations in New South Wales, to close as a result of the lower coal prices with the loss of about 1,000 jobs.

The U.S. Steel subsidiary, Marathon Petroleum Australia, said that it had agreed to sell, for an undisclosed consideration, its base and precious metals exploration properties in Australia to Pan Australian Mining of Brisbane.

Marathon will retain its interests in coal properties in the Surat Basin of Queensland. Pan Australian will obtain properties in Queensland, New South Wales, Victoria, South Australia and Western Australia.

J. O. Walker

Timber importer J. O. Walker and Co raised its pre-tax profits by £54,000 to £352,000 in 1983 and is lifting shareholders dividend by 1p to 4.5p net per 25p share by an increased final of 3p.

Turnover totalled £10.19m (£8.33m) and tax accounted for £74,000, against £1,000. Earnings emerged at 34.8p (37.1p) per share.

Highcroft growth

In addition to raising its dividend from 3.15p to 3.5p net for 1983, Highcroft Investment Trust is making a one-for-one scrip issue. The final dividend from this financial trust is 2.1p.

Profit rose from £249,000 to £287,000 subject to tax of £132,000 (£118,000), and earnings are 6.03p (4.76p) per share. Capital profits of £222,655 (£199,614) on the sales of properties and investments have been credited direct to capital reserve.

At the end of the year freehold and leasehold properties were revalued at £5.11m, and the resultant surplus of £487,538 over book value has been taken to revaluation reserves.

MINING NEWS IN BRIEF

SHARPLY HIGHER gold production *following the recent* plant expansion and reduced operating costs enabled Echo Bay Mines of Canada to lift net profits for the first quarter of 1984 to C$5.1m (£2.8m), compared with C$1.4m in the opening three months of last year.

Gold production from the Lupin mine in the Northwest Territories was 43,376 ounces, up from 27,173 oz in the comparable period.

Echo Bay has also completed a C$44m fundraising in the U.S. and Canada, and plans to redeem C$40m of outstanding preferred shares and accrued dividends. In addition, the company has raised C$5m for its 1984 exploration programme through the sale of 2,860 "flow-through" units at C$1,750 each to Canadian investors, with each unit earning 100 common shares of Echo Bay.

Part of the proceeds will be spent on gold and silver properties at Coronation Gulf, 150 miles north of the Lupin mine.

THE PROPERTY MARKET BY JOAN GRAY

Mansion House Square shops already taken

More than 80 per cent of the shopping space associated with the highly controversial 20 storey office block developer Mr Peter Palumbo wants to build alongside London's Mansion House has already been reserved.

It was revealed at the opening of the planning enquiry this week that four of the existing traders on the site, including Mappin and Webb and Dunhill, have already reserved space.

Other traders who have reserved accomodation include Asprey, Hermes, the Saville Row tailor Henry Poole, Wiltons Oyster Bar and Smythsons the stationers, putting Mr Palumbo one step nearer his ambition of "creating a Bond Street in the City" if planning permission is granted.

The shops in the proposed Mansion House Square development range from 7,000 square foot units down to 150 square foot kiosks. Rents, says Mr Palumbo, will be at market rates with no additional premium for the site but related to turnover.

As for the offices in the proposed dark glass block by architect Mies van der Rohe, Mr Palumbo is also optimistic.

If the scheme gets the go-ahead, "there is a very real possibility that the building will be let between the date approval is given and the commencement of construction at the beginning of 1987," he says.

Mr Peter Palumbo, proposer of the Mansion House Square scheme—hoping to create "a Bond Street in the City"

Several banks have already shown interest in taking space, and Mr Palumbo has moved away from his original idea of letting the whole building to a single tenant.

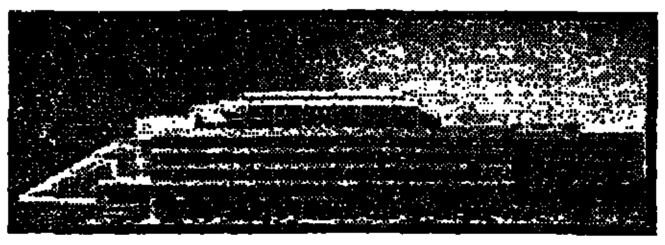
"I could either let to a single tenant or to several banks in units of one, two or three floors," he says. "The area per floor—10,000 sq ft—is just what they now want."

Office rents in the block are likely to be in line with market figures for a prime banking site, says Mr Palumbo. The current figure he quotes is £35 per sq ft—"though what it is likely to be in 1988 is a different matter."

As the controversy over his plan reaches its height, the President of the Royal Institute of British Architects, Mr Manser, has come out firmly in favour of the Mies building for the site, rather than scooping out the insides and refurbishing the existing buildings.

"Mies had a huge influence on 20th century architecture and this was his last design before he died, where he provided every detail down to the ashtrays," he said. "It's going to be a good building and there is no reason not to build it, especially as someone's prepared to pay for it. All that stands against it is some unexceptional 19th century architecture, and that shouldn't stand in the way of an exceptional 20th century building."

Milton Keynes computer jungle



Offices, shops and a jacuzzi in the Winter Garden at the Central Business Exchange.

Half-tame parrots, a toucan, and tropical plants were used to provide the background for Milton Keynes Development Corporation's launch of its £40m CBX Central Business Exchange.

The CBX will provide 264,000 square feet of office space at a rent of £10 a square foot — but the bird-filled setting was chosen to illustrate the Corporation's contention that it is offering more than just cheap office space.

The development also has a 35,000 square foot modern version of a Victorian conservatory — a tropical Winter Garden complete with plush sports club and swimming pool, restaurant, wine bar and night club.

The CBX also includes a 160 bedroom hotel. While the rest of the £40m complex is being funded by Shell Pensions Trust, the £10m hotel is being separately funded by the hotelier. This will probably be Trust House Forte, although other companies are also bidding, said Milton Keynes Development Corporation Commercial Director Mr Bob Hill.

Office space in the CBX comes in two blocks. The larger block provides 136,000 square feet, and is designed to be let as a corporate headquarters in one or two units. The Corporation is aiming for new technology companies such as Sperry Univac, the computer maker which has just taken a 42,005 square foot building in Milton Keynes for its new European Computer Centre.

The smaller CBX block, of 128,500 square feet, is designed to be let in smaller units to as many as 40 businesses.

Pension fund investment lowest for five years

BY MICHAEL CASSELL

DOMESTIC investment in commercial property by UK insurance companies and pension funds plunged to its lowest level for five years during 1983.

Figures released by the Central Statistical Office (CSO) confirm the recent reluctance on the part of institutional investors to allocate funds to commercial property, which has been providing poor returns in contrast to those available in the gilt and equity markets.

The total amount invested by the pension funds and insurance companies in the property sector last year reached £1.5bn against nearly £1.8bn in the previous 12 months. In 1981, the figure had touched £2bn.

There have been some recent indications, however, that investment sentiment towards property has now begun to improve and that the level of new investment in 1984 will show a marked improvement. Rowe and Pitman Property Services, the real estate arm of the City broking firm, believes the figure could again reach £2bn during the current year.

But while most observers expect the property market to perform better this year, with rising demand creating some rental growth and beginning to push up capital values, views on the extent of the institutions' re-entry into the market still vary widely.

Many of the major funds, already heavily committed to property, still appear reluctant to reverse their ultra-cautious attitude until signs of an improvement in the direct market become more sustained.

According to the CSO, the pension funds last year put £830m of new money into the property sector against £712m in the previous year. In the past quarter, however, investment was running at twice the rate achieved in the same period of 198.

The insurance companies also invested another £832m in commercial property during 1983 compared to £1.05bn in the year before. Last quarter investment was down to £228m against £342m in the final three months of 1982.

The CSO also reveals that there was a net disinvestment in property by unit trusts and investment trusts during 1983. Heavy selling in the first part of the year highlighted the problems which hit the unit trust sector and although the position had improved considerably by the end of 1983, it was insufficient to cancel out earlier difficulties.

Spa scheme threatened

The £6m plan to bring Bath's spa and pump room back into use is threatened by a dispute over a shop which has to be demolished to give access to the site.

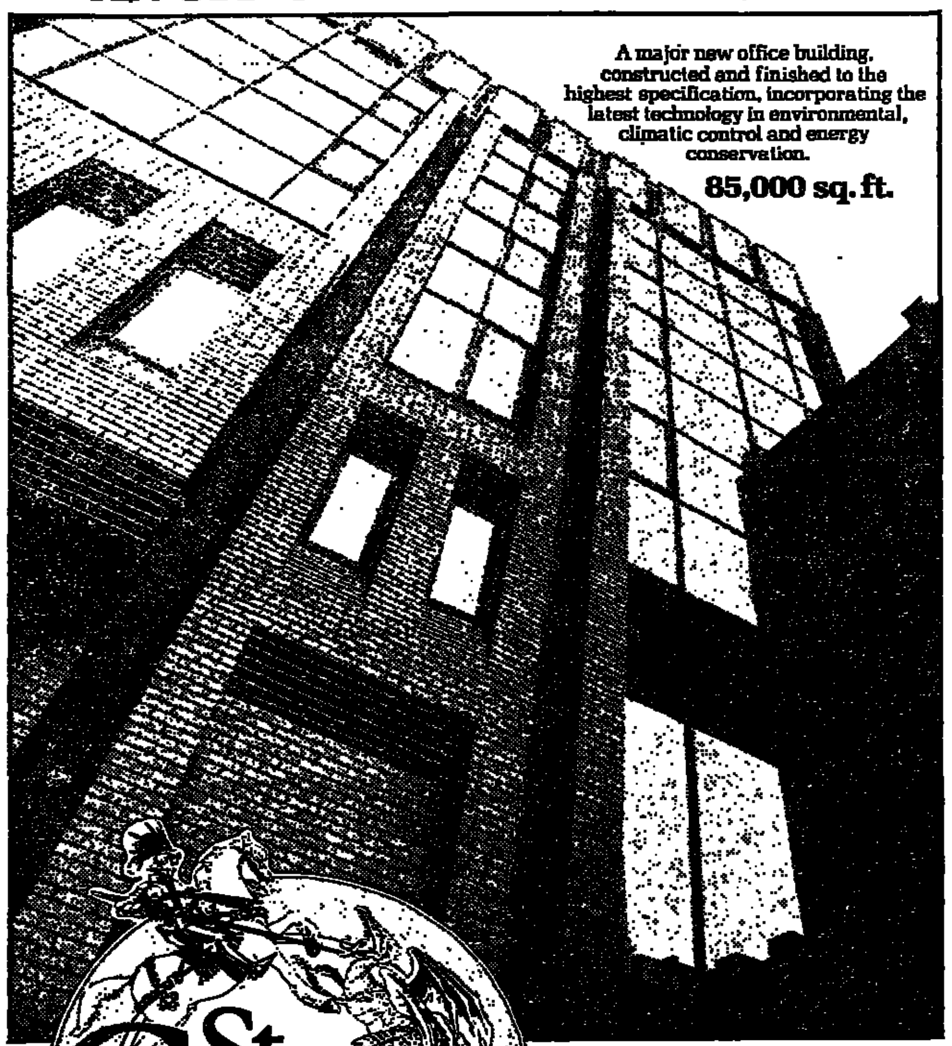
The shop—currently occupied by a branch of the Olivers shoe chain—is in the centre of a parade developed by Land Securities. But Land Securities says it will only release it to make way for the Spa development if Bath council sells it the freehold of the rest of the eight-shop parade.

"It is a very good shop—the last letting was at more than £50,000 a year—and we'd like to keep it in the company," said Land Securities managing director Mr Peter Hunt. "But we wouldn't mind if we could buy the freehold for the whole parade to compensate our shareholders."

The owner, Bath Council, is currently refusing to sell the freehold but is having a meeting with the spa scheme's developers, Mowlem Blakeney Ireland, next week to discuss the problem.

Mr Michael Day, managing director of Mowlem Property, is confident. "The issue will be resolved," he said. "We do not regard this as a total threat to the scheme, because there are other ways round the problem."

WIMBLEDON SW19
AN OFFICE BUILDING FOR TODAY



A major new office building, constructed and finished to the highest specification, incorporating the latest technology in environmental, climatic control and energy conservation.

85,000 sq. ft.

St. Georges West

A Development by Commercial Union Properties Ltd.

DONALDSONS CHARTERED SURVEYORS 70 Jermyn Street London SW1Y 6PE 01-930 1090

ONE FREDERICK'S PLACE · EC2

Self-contained Air Conditioned Office Building

23,000 sq.ft. approx.

TO LET

Richard Ellis Chartered Surveyors
64 Cornhill, London EC3V 3PS Telephone: 01-629 6290

Jones Lang Wootton Chartered Surveyors
01-638 6040

George
Our search for new offices close to Heathrow, how's it going?
Drove past a super new building in Staines Road, Hounslow, about 14,000 sqft, air conditioned, and with car parking sounds ideal. Can you find out more please?
Colin.

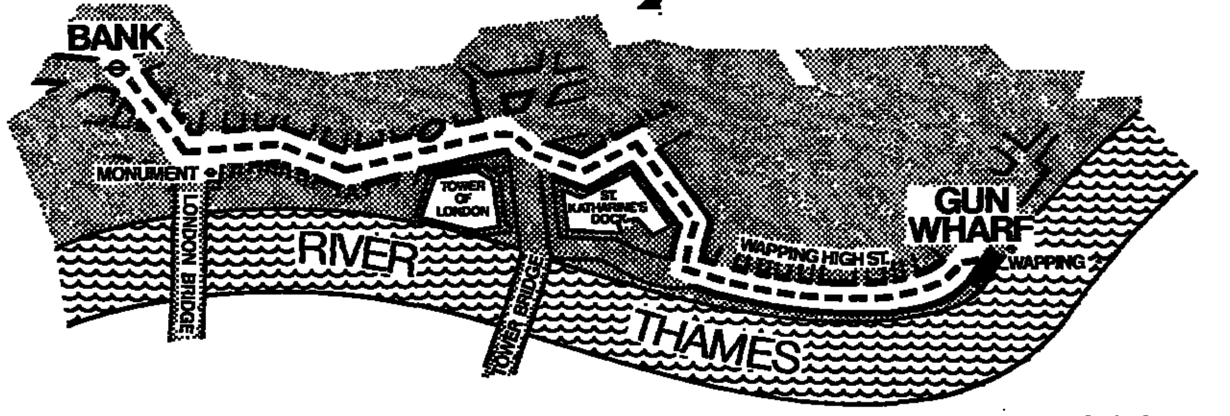
Colin, its called Mitre House, 14,085 sq ft. including ancillary accommodation, 30 car parking spaces, AVAILABLE NOW and well within our budget. Suggest you ring the agents - I'm off to L.A.! George

MITRE HOUSE

clive lewis & partners 01-499 1001

Hillier Parker May & Rowden 01-629 7666

From Gun Wharf you can stroll all the way to the Bank.



A choice of 2 bedroom luxury flats from £73,000.

If you work in the City, living in a luxury flat at Gun Wharf just couldn't be handier.

Tower Bridge is less than a mile away, the Bank just a step or two further.

And added to the convenience of being within walking distance of work is the pleasure of living in a home of considerable style and character.

Because at Gun Wharf, a converted spice warehouse by the river at Wapping, Barratt have once again shown their skill at breathing new life into a historic building. Behind the elegant distinctive facade, the six 2-bedroom flats are really large and offer outstanding comfort. Each with dining area, fully fitted Wrighton kitchen and two large bedrooms with wardrobes.

And Barratt have a fine range of schemes to make buying easy.

Just ask for the details. You can view the flats at Gun Wharf any day between 11am and 6pm (Mondays only 2-6pm). Or call 01-265 1282.

As a home, as an investment, at Gun Wharf, you really are laughing all the way to the Bank.

Barratt

Barratt East London Ltd., Warton House, 150 High Street, Stratford E15 2NE. Phone: 01-555 3242.

COPPERGATE SHOPPING

NEW SHOPPING IN OLD YORK

- 25 Superb shop units now available for letting
- Scheme includes major stores—C & A and Fenwick—opening in October
- New tourist attraction Jorvik Viking Centre
- 1,000 shopper car parking spaces in and around the scheme
- Coppergate will emphasize York's role as one of the North's most exciting retail centres.

Edward Erdman
6 Grosvenor Street London W1X 0AD Tel. 01-629-8191

Stansfield Commercial
Melrose House 3 St. Sampson's Sq York YO1 2RL Tel. 0904 55417

Developed by Wimpey Property Holdings

A great opportunity to land on MAYFAIR

PRINCE FREDERICK HOUSE

Impressive new development designed and built to the highest standards.
Office suites of 2200 and 3500 sq ft.
Two remaining shops of 650 and 1060 sq ft.

Goddard & Smith
22 King Street, St. James's, London SWIY 6QZ
Telephone: 01-930 7321
Telex: 8955411

CENTRAL COURT

Knoll Rise · Orpington · Kent

Superb New Office Building

70,000 sq.ft. Will Divide

- HIGH QUALITY AMENITIES AND FINISHES
- 163 CAR PARKING SPACES

ALLSOP & CO
21 Soho Square, London W1V 6AX
01-437 6977

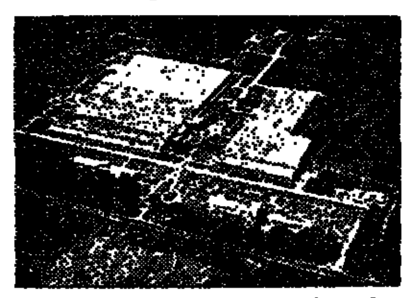
DRUCE
23 Leinster Terrace, Bayswater, London W2

AUCTION
Thursday 31st May 1984

26 Freehold and Leasehold Shop, Office and Ind. Investments and Vacant Properties Producing in excess of £600,000 per annum

01-724 1222

IRVINE, AYRSHIRE
400,000 sq ft on 49 ACRES



FOR SALE

Further Details from Joint Agents

James Barr & Son Chartered Surveyors 041-248 3221

Stimpsons Eves Commercial & Industrial
BEDFORD 41311

FOR SALE BY PUBLIC TENDER

On the instructions of John Donnelly, Deloitte Haskins & Sells Official Liquidator Ranks (Ireland) Ltd.

GRAIN SILOS & FLOUR MILL
DOCK ROAD, LIMERICK

- Purpose built Flour Mill and animal feed mill.
- Total silo capacity—38,000 tonnes.
- Site area—5.8 acres with dockside access.
- Modern office building and ancillary facilities.
- Tender Date—8th June, 1984.
- Full details and arrangements to view from agents::
- Joint agents:

Brian Begley, 12 Glentworth Street, Limerick, Ireland.
Tel: 061 49888

Jones Lang Wootton
Surveyors/International Real Estate Consultants
10/11 Molesworth Street, Dublin 2. Telephone 771501. Telex 24128

NEWBURY BERKSHIRE

Quality Georgian Office Building
5,500 sq ft/23 car spaces
Adjacent to Kennet Centre & Railway Station
No local occupier condition
TO LET or FREEHOLD AVAILABLE

PEARSONS 0256 62222
EDWIN HILL & PARTNERS 01 631 0997

TRAFFORD PARK MANCHESTER
Adjoining M63
64,000 sq feet
Up to 2½ acres Concrete Hardstanding
Suitable for Warehousing, Transport Depot, Light Industrial. Excellent Building. Central Heating and Sprinkler System.
TO LET
Apply:
JACKSON-STOPS & STAFF
25 Nicholas Street
Chester CH1 2NZ
Tel: (0244) 28361

SMC ESTATES
For all commercial sales/lettings
Tel: 0708 66424

OUTGOINGS
PRIME CITY OUTGOINGS £55p.s.ft
CITY HOUSE EC1
STILL AT LESS THAN £16p.s.ft
FROM 6,205-31,905sq.ft
01-236 4040

Enquiries are invited from Principals interested in acquiring land at Winchester having development potential.
Please write to Box T6066, Financial Times, 10 Cannon Street, EC4P 4BY

NW1 (close West End)
Modern
WAREHOUSE OFFICES & LIGHT INDUSTRIAL PREMISES
6,200 sq. ft.
with 14 valuable parking spaces
EDWARD SYMMONS & PARTNERS Tel. 01-834 8454
56/62 Wilton Road, London SW1V 1DH

COMMERCIAL and INDUSTRIAL ADVERTISING
Appears every Friday.
The rate is £33.00 per single column centimetre.

TECHNOLOGY

EDITED BY ALAN CANE

U.S. INDUSTRY LOOKS FOR MORE EFFICIENT BURNER REPLACEMENT

Battle for the big boilers

BY DAVID FISHLOCK, SCIENCE EDITOR

A BATTLE is just beginning for a big North American market for the replacement of about 350,000 industrial boilers. The aim is to substitute them with advanced - technology boilers that will burn low-grade indigenous fuels costing as little as one-third to one-fifth of the fuels used today, yet meet rising standards on noxious emissions.

The answer — at last — looks like being atmospheric fluidised - bed combustion (AFBC). It has taken much longer to solve such problems as control and reliability than was forecast in the 1960s.

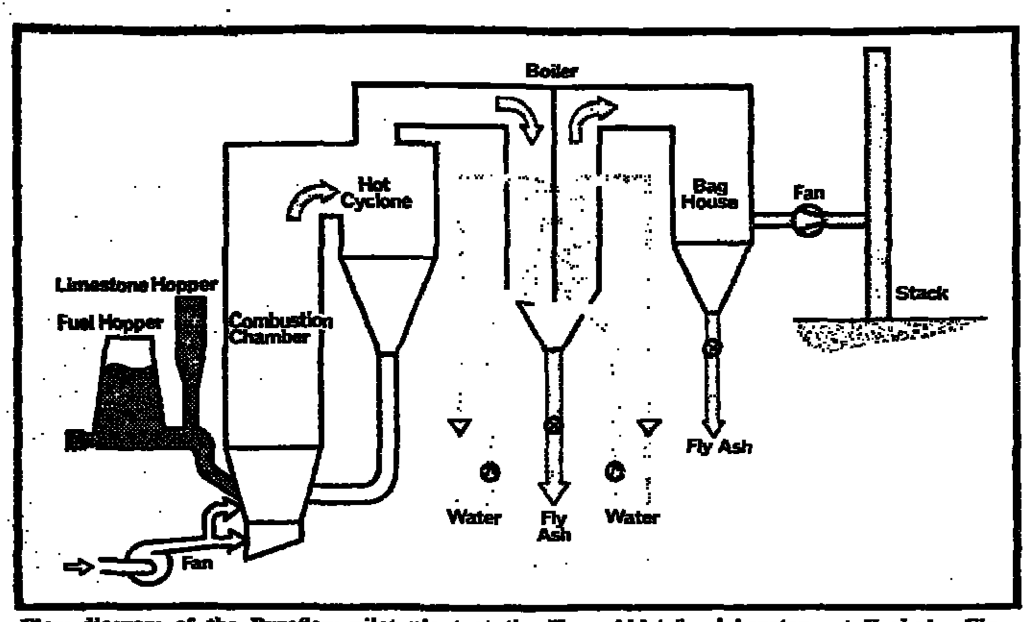
But Dr Floyd Culler, president of the Electric Power Research Institute, the Californian co-operative which spent about U.S.$327m on R and D for U.S. electricity companies last year, says in his annual report: "We are very pleased by the progress being made in advancing new technology for clean coal burning."

Dr Culler cites "very promising results" from a 20 MW pilot plant operated by TVA at Paducah, Kentucky, and reports plans to follow it with a full-scale demonstration unit of 160 MW at a cost to EPRI of $75m. "The AFBC boiler is nearly here," EPRI's report concludes.

Rival versions of the AFBC, technologically quite different, are competing for the accolade of acceptance as the clean way to burn coal. One is a technology called the solids circulation boiler, invented in the U.S., to which engineering consultants Stone and Webster have full rights. It uses a "bubbling bed" of alumina spheres which swirls like a liquid under the pressure of injected air. Fuel and limestone, fed into this swirling bed, distribute rapidly. As the fuel burns, the lime absorbs the sulphur, even from fuels as rich in sulphur as some petroleum cokes, it is claimed.

Steam is raised by funnelling the swirling mass though a water-cooled channel. Very wide control over output, down to 20 per cent, has been demonstrated on a hot test unit built by Stone and Webster.

A joint U.S. venture called Multifuel Boilers, in which the U.S. engineers combine forces with Babcock Power, the UK boilermakers, has just been announced to exploit the technology. Babcock's own sales of fluidised-bed boilers based on UK developments has begun to grow rapidly in the past two years, with sales rising from £690,000 in 1982, to £1.9m last year, and over £5m, so far this year. Mr Warren Leland, Multifuel's chairman, forecasts the new company's first sale this spring.



Flow diagram of the Pyroflow pilot plant at the Hans Ahlström laboratory at Karhula, Finland. It has offgas sampling and measuremen systems that meet U.S. government standards

But a rival advanced technology for the North American market is Pyroflow, a development of Ahlström, the Finnish forest products and engineering group. It was seeking a way of burning low-grade fuels, including peat and forest wastes, the company says.

As Ahlström sees it, a problem with the bubbling-bed technology is that low-grade fuels fuse into large masses inappropriate for fluidised-bed combustion. In 1976 it pursued a new line involving beds of very fine particles circulated by cyclones, so that instead of a bed, the process has a circulating stream in which combustion is proceeding. That way, they say, they can maintain combustion at the optimum temperature for absorption of sulphur by limestone.

The system is more akin to a chemical processing plan than a boiler. It can be turned low, to one-third or less in output, without risk of the bed slumping, yet responds quickly to changes in load.

According to Mr Folke Engström, Ahlström's research manager, who has nursed the project since its inception at the Hans Ahlström Laboratory at Karhula in southern Finland, the company is spending about £500,000 a year on the development of its Pyroflow technology. It has patents on engineering details but not on the basic idea of circulating flow. (In fact, Lurgi of West Germany is contesting its use of this central feature.)

Mr Engström admits that his company still does not fully understand the physics of the circulating combustor. But it knows that heat transfer is more complex than for the bubbling bed, and that it changes with load. No flame is present — just a very bright glow when you peer into the circulating stream.

The company has tested Pyroflow successfully on over 60 different potential fuels, including such poor fuels as coal with 80 per cent ash, sub-bituminous coal and syncrude coke. The limitation, Mr Engström says, is only that there must be enough energy in the fuel to get the temperature high enough for combustion.

How fine the fuel must be milled depends on its calorific value. Wood chips several inches long can be fed in untreated, but peat must be finely milled. And the limestone used to absorb sulphur must also be finely ground.

Fuels heavily contaminated with metals such as vanadium, which can cause severe corrosion in other boilers, give no trouble for Pyroflow, Mr Engström says. Sulphur retention for high-sulphur coals is claimed to be as high as 98 per cent. Erosion is low because the particle stream itself is not circulating at high velocity.

The market for Pyroflow, as seen by Mr Folke Pettersson, Ahlström's director of marketing at the Karhula works, is anywhere that is setting specially high standards for atmospheric emission of sulphur and nitrogen oxides. The company has set up a subsidiary, Pyropower Corporation, in La Jolla, California, for instance.

It is backed by the experience of a total of 13 plants, starting with the first demonstration in 1978, and now encompassing Sweden, Austria and the U.S., as well as Finland itself. Nine more plants are on order, the biggest being a 97 MW unit for Oriental Chemical Industry Co at Inchon, South Korea. Mr Pettersson says it has already penetrated the most demanding market, California itself, with two orders.

But the "biggest laboratory we have," he says, is the 65 MW unit at its own factory at Kauttua, providing 200,000 lbs of steam an hour for a pulp mill. It was originally intended to burn coal and peat but in fact has been burning a whole range of fuels—"whatever is cheapest"—including woodwaste from the mill. "It gives the power plant manager fantastic advantages," Mr Pettersson says.

This plant, commissioned in 1981, needs only three people to run it. One attends the control console, one is in the plant, and one supervises fuel supplies. Of the problems which have arisen, four out of five have been on the fuel-handling side "because it is handling so much rubbish."

RECLAMATION

Waste oil recovery

A FULL scale plant to recover waste oil using a vacuum distillation is planned by Petro Sciences. This is a new company set up this year by Swedish born Kalle Kipatsa.

Mr Kipatsa's original company, called Oil Reclamation International, was founded to recover waste lubricating oil more economically than existing processes. Now part of Petro Sciences will go on the Stock Exchange to raise £640,000 capital to further this work.

Vacuum distillation is a well known process but Mr Kipatsa was the first to apply it directly to waste oil recovery. A small pilot plant has been operating for more than a year in the heart of London's Docklands.

The company estimates that it will cost a total of £447,000 to build a plant at Corby to be operating by the end of the year. It hopes that a substantial proportion of the cost will be met by government regional development grants and selective financial assistance. The Corby plant will be able to refine 5,400 tonnes of waste oil annually. Today only about 25,000 tonnes of oil are reclaimed in Britain.

Sales of lubricants in the EEC are estimated to be about 5m tonnes a year, with an equivalent amount sold in the U.S. UK sales account for 500,000 tonnes.

Mr Kipatsa developed the Revac process which is based on vacuum distillation and needs no extra chemicals as does conventional re-refining thus avoiding toxic wastes in the process.

The initial stage of the process involves filtration to take out the larger particle impurities followed by three vacuum distillation stages. The reduction of pressure due to the vacuum lowers the boiling points of the constituent oils so that they can be removed from contaminants.

The final stage, common to all recovery systems, is to pass the recovered oils through clay to restore its original colour or bloom. The process is fully automated under computer control.

A second plant using this technique may be built at Corby to be operational next year and more are planned. Petro Sciences wants to export equipment made in Britain. But in the UK alone there may be a market for between 60 and 80 small plants.

A typical Revac plant would cost about £300,000 compared with £1m for conventional processing, says Petro Sciences. The UK waste oil collection industry is rather fragmented with more than 50 companies trading in waste oil. The new Corby plant will also compete with about six conventional plants operated, for example, by Century Oil and Braybrook Brothers.

ELAINE WILLIAMS

MATERIALS TREATMENT

Strip metal heating

TRANSVERSE flux induction heating (TFX) is a new process for heating strip metal. It is being manufactured under licence by Davy MacKee of Poole, Dorset. A wholly British invention, it was developed at the Electricity Council's Research Centre at Capenhurst. Davy MacKee established its metal heating division specifically to develop the process and subsequently market it world wide.

Nippon Light Metal Company of Japan is currently commissioning a commercial plant supplied by Davy MacKee.

TFX is a rapid heating method—it only takes two seconds to each optimum temperature. A traditional gas-fired batch furnace takes up to five hours. And, as it is a continuous process, metal heated with TFX doesn't have to be manhandled around the shop floor. It's an automated computer-controlled system particularly suitable for installation in continuous process lines. It's also an energy saving device, using only a third of the energy used in a gas furnace.

Up to now, TFX has been used mainly to soften aluminium strip. But it's potential use is far wider. Dr John Spittle, of University College Cardiff Department of Metallurgy and Materials Science, is collaborating with Davy MacKee in testing and evaluating TFX and other metals. "We're currently conducting trials on copper and brass," explains Dr Spittle, "and results look promising."

Safety

Remote control

THE RECOVERY of remote control vehicles in stormy seas is the concern of a small Lanarkshire hydraulics company. Scomagg Hydraulics has developed a heave compensation system based on sensors and computers, which can operate in force eight gales.

The first remotely operated vehicle to use the new hydraulics has been ordered by Wharton Williams Taylor diving contractors which operates in the North Sea. More details from Scomagg on Bellshill 745568.

Newspapers

Norsk Data's entry

THE NEWSPAPER industry is the target for Norsk Data, the Norwegian computer company. It has set up a UK subsidiary of its ND-Contec division to sell computer systems.

Such equipment will sell for between £50,000 and £350,000 capable of handling every aspect of the publishing business. In Scandinavia, Norsk Data's computer systems are used by 80 per cent of these countries' newspaper industries. More details from the company which is based in Newbury, UK on (0635) 35544.

Input

Alternative keyboard

MICROWRITER has launched an alternative keyboard for the BBC computer. Called Quinkey it is based on Microwriter's own five finger keyboard which produces letters and figures by a combination of keys.

The keyboard plugs into the analogue input of the BBC machine. The company says that Quinkey has applications in education, the home and business. More details from Microwriter in London on 01-831 6801.

Computers

Mouse spreads

APPLE Computer now has a mouse input device which can be used with the Apple II range of computers. It is the same type of mouse used with the Lisa and Macintosh products. Coupled with this is a program called Mousepaint for creating graphs, charts on the screen. The suggested price is £135. More details from Apple in the UK on 0442 60244.

Communications

Diverting conversations

ANSAMATIC, a UK independent telephone equipment company, has launched a call diverter, the 2597. This can re-route to another number of the owner's choice.

Programming the machine is either directly or remotely where the call diverter talks back to guiding the user through the programming process. More information from the company in London on 01-446 2451.

Components

The 1m bit silicon chip

THE ABILITY of silicon chips to store data has now passed the 1m bit mark. IBM researchers have made an experimental random access memory with such a capacity.

One million bits is equivalent to about 100 pages of double-spaced A4 paper. The circuit is based on IBM's existing technology.

NEW ISSUE

These Debentures have not been registered under the United States Securities Act of 1933. These Debentures having been sold, this announcement appears as a matter of record only.

MAY 1984

U.S. $100,000,000

COMSAT International N.V.

(Incorporated in the Netherlands Antilles)

12¼% Guaranteed Debentures Due 1989/1991

Unconditionally guaranteed by

COMSAT

COMMUNICATIONS SATELLITE CORPORATION

(Incorporated in the District of Columbia)

Credit Suisse First Boston Limited — **Nomura International Limited**

Deutsche Bank Aktiengesellschaft — **Swiss Bank Corporation International Limited**

Union Bank of Switzerland (Securities) Limited

Algemene Bank Nederland N.V. — **Banque Bruxelles Lambert S.A.**

Banque Paribas — **County Bank Limited**

Crédit Lyonnais — **Dresdner Bank Aktiengesellschaft**

Goldman Sachs International Corp. — **Morgan Stanley International**

Smith Barney, Harris Upham & Co. Incorporated — **S. G. Warburg & Co. Ltd.**

Abu Dhabi Investment Company — Al-Mal Group — Amro International Limited — Julius Baer International Limited — Banca del Gottardo

Bank Gutzwiller, Kurz, Bungener (Overseas) Limited — Bank Leu International Ltd. — Bank Leumi le Israel Group

Bankhaus Gebrüder Bethmann — Banque de Paris et des Pays-Bas (Suisse) S.A. — Banque Worms

Chemical Bank International Group — Citicorp Capital Markets Group — Compagnie de Banque et d'Investissements, CBI

Continental Illinois Capital Markets Group — Crédit du Nord — Creditanstalt-Bankverein — Dai-Ichi Kangyo International Limited

Daiwa Europe Limited — Dominion Securities Ames Limited — Effectenbank-Warburg Aktiengesellschaft — First Chicago Limited — Fuji International Finance Limited

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft — Hessische Landesbank Girozentrale— — E. F. Hutton & Company (London) Ltd.

Kidder, Peabody International Limited — Kleinwort, Benson Limited — Lloyds Bank International Limited — LTCB International Limited

Mitsubishi Trust & Banking Corporation (Europe) S.A. — Mitsui Finance Europe Limited — The Nikko Securities Co., (Europe) Ltd.

Norddeutsche Landesbank Girozentrale — Sal. Oppenheim jr. & Cie. — Pictet International Ltd — Pierson, Heldring & Pierson N.V.

Sanwa Bank (Underwriters) Limited — Sumitomo Trust International Limited — Svenska Handelsbanken Group

Takugin International Bank (Europe) S.A. — Tokai International Limited — Toronto Dominion International Limited

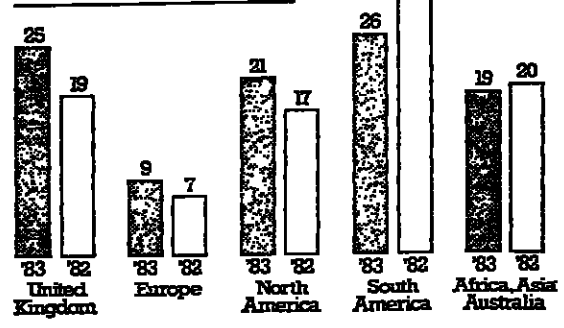
Vereins- und Westbank Aktiengesellschaft — M. M. Warburg-Brinckmann, Wirtz & Co. — Yamaichi International (Europe) Limited

---

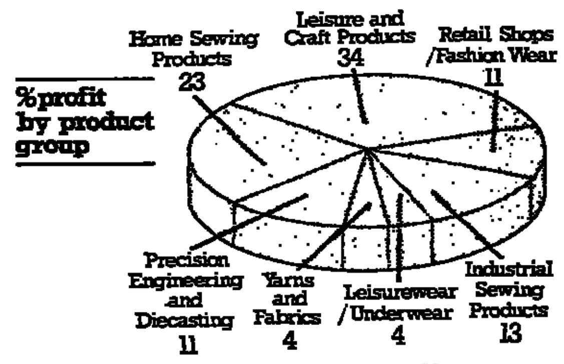
There is more to Coats Patons than meets the eye.

In 1983 Coats Patons sales amounted to £888.0m (1982 – £856.2m) earning £87.0m pre-tax profit (1982 – £77.3m) from five major geographical regions and in seven broad product categories.

%profit for each major geographical region



%profit by product group



[The analysis illustrates that 79% of profit is earned in consumer products rather than from trade with customers involved in commodity textiles]

Coats Patons employs some 43,000 people. The Group manufactures in thirty countries and its products are distributed in every country of the free world.

Highlights from the Review of the Chairman, Mr. W. D. Coats

Pre-tax profits up 13%
We started the year 1983 in a more optimistic mood than had been the case during the previous two years. Events have proved our optimism well founded with pre-tax profits up 13% at £87 million.

Increase in final dividend by 14%
On the strength of the results, the board has recommended an increase in the final dividend from 2.8p to 3.2p.

Product groups
During the year our main product groups have continued to make very satisfactory progress, with Leisure and craft products, Retail shops and Precision engineering all showing good increases in turnover and profit. Yarns and fabrics and Leisurewear/underwear have both made much more satisfactory margins. Home sewing products and Industrial sewing products have been distorted by the downturn in South America, and the fact that Venezuela has been treated as an associate in 1983.

Prospects
The results for 1983 show some of the benefits resulting from the efforts that have been made by all those working in the group, where productivity and performance have improved significantly in the last three years. The group has a well balanced portfolio of assets; around 15 per cent are in less developed countries, and we look forward with confidence to continued improvement in our business in 1984 in most parts of the world.

Results Highlights

	1983 £m	1982 £m
Turnover	888.0	856.2
Trading profit	94.5	85.5
Pre-tax profit	87.0	77.3
Capital expenditure (incl. leasing):		
U.K.	17.3	12.2
Total	48.2	40.6
Net cash flow	(8.8)	4.7
Gearing	26%	26%
Earnings per share	17.3p	14.6p
C.C. earnings per share	7.0p	5.6p
Dividends per share net:		
Interim (paid on 30.12.83)	1.5p	1.4p
Final (payable on 2.7.84)	3.2p	2.8p
Number of employees:		
U.K.	15,200	16,500
Total	43,600	46,900

[The figures for the year to 31st December 1983 are abridged from the Group's full accounts which will be filed with the Registrar of Companies after the Annual General Meeting.]

Copies of the 1983 Annual Report are available from: The Secretary, Coats Patons PLC, 155 St. Vincent Street, Glasgow G2 5PA.

COATS PATONS PLC

COÖPERATIEVE CONDENSFABRIEK "FRIESLAND" W.A. (CCF)

has acquired the international dairy businesses of

McKESSON CORPORATION

On behalf of CCF the undersigned acted as transaction advisors, valued the businesses, and assisted in negotiations and closing activities.

BOOZ·ALLEN ACQUISITION SERVICES
BOOZ·ALLEN & HAMILTON INC.

April 1984

Paris
Telephone 505.14.67
Telex 611736

North West Securities Limited

NWS

1983 Results:

PROFITS UP 37%

Extracts from The Chairman's Statement, Lord Balfour of Burleigh

I am pleased to be able to report such good results for the year 1983.

These show a record pre-tax profit of £15.1M. Government grants have been shown on a gross basis for the first time; this increases profit by £2.4M in 1983, and the comparative effect in 1982 would have been £1.9M.

This being done, the adjusted increase is a very satisfactory 37%.

We operate consumer credit facilities for customers of Marks & Spencer, C & A Modes, Owen Owen and other household names.

We have joint companies with Renault, C.I. Caravans and F.H. Burgess Limited, and have recently concluded arrangements with British Rail to handle their Travel Key project.

All this activity has, as its object, the building up of lasting relationships with people whom we trust, and who trust us. This is a key strategic aim.

North West Securities Ltd., North West House, City Road, Chester, CH1 3AN. A Member of the Bank of Scotland Group.

All of these securities have been sold. This announcement appears as a matter of record only.

April, 1984

Flow General Inc.

$25,000,000

14.30% Subordinated Debentures Due 2004

375,000 Shares

Common Stock

L. F. ROTHSCHILD, UNTERBERG, TOWBIN

NEW YORK STOCK EXCHANGE 46–47
AMERICAN STOCK EXCHANGE 47–48
U.S. OVER-THE-COUNTER 48, 56
WORLD STOCK MARKETS 48
LONDON STOCK EXCHANGE 49–51
UNIT TRUSTS 52–53
COMMODITIES 54 CURRENCIES 55
INTERNATIONAL CAPITAL MARKETS 56

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Friday May 4 1984

Sweden's floating rate note sets U.S. record, Page 56

WALL STREET

Treasury shadows loom large

THE PROSPECTS for next week's sale of $16.5bn in Treasury securities began to cast a shadow over Wall Street yesterday, *writes Terry Byland in New York.*

There were no surprises in the size or term of the funding, which was announced late on Wednesday. But the spectre of a 13 per cent yield on long-term bonds stalked the fixed interest markets, as pre-auction deals in the new 30-year bonds sent the yield inching upwards.

The stock market also turned cautious after the strong rise earlier in the week.

The Dow Jones industrial average closed 5.03 down at 1,181.53.

Stock prices are now moving into the range at which substantial lines of major issues were bought in the closing months of 1983. With the stock market rally still needing confirmation, confidence was not helped when several fund managers indicated that further market gains might offer opportunities to sell leading stocks.

Turnover in the stock market was below recent levels. After opening firmer, the leaders began to slip lower. Some support was still shown for the broader range of stocks and the American Stock Exchange index edged ahead. But an increase in the number of large blocks traded indicated that some institutions were sellers.

A cause of unsettlement in stock and fixed interest sectors was the unexpected disclosure by Marsh & McLennan, the insurance group, of a further $30m losses in the federal bond market. Stock in Marsh & McLennan added $¾ to $40¼ in heavy trading following a sharp fall late on Wednesday.

The fall in the Dow was slightly inflat-

The closing report on Wall Street and updated U.S. market monitors were not available because of continuing industrial action at the *Financial Times'* printers in Frankfurt.

ed by the weakness of the Detroit motors issues after reports that the growth cycle is flattening out earlier than expected because of higher relative prices and the many other pressures on consumers' pockets.

The Dow Transport average also fell back as profits were taken in airline and rail issues.

The downward trend was signalled by a fall of $⅝ to $115⅝, after being singled out by Mr Alan Shaw, chief analyst at Smith Barney, Harris Upham, as a possible "technical sell."

Oil stocks were mostly weaker, with Exxon $⅛ off at $42¾ and Philips Petroleum $⅝ down at $41⅛ and Atlantic Richfield at $48, showing a fall of $⅞.

A feature among consumer issues was the suspension at $45¼ of Esmark, the food and industrial group, pending further details of a proposed leveraged buy-out. Later Esmark was given an indicated price of $55–$58 although it remained suspended on the NYSE.

Eastman Kodak topped the active list, gaining $1 to $65½ after pleasing the market with its recovery in earnings in the first quarter.

On the American Stock Exchange, Gulf Oil added $¾ to $15⅝ after a block trade of 500,000 shares reawakening hopes that the U.S. parent will sell off the Canadian link on completion of its merger with Standard Oil of California.

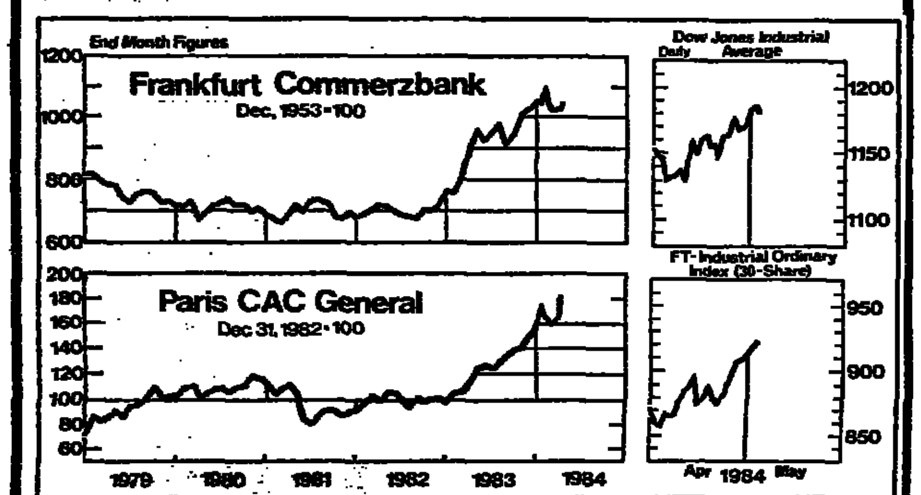
In the credit markets, short-term rates edged higher behind a firm federal funds rate of 10 7/16 per cent. There was some disquiet over the apparent disclosure by a senior official of the Federal Reserve Board of the Fed's policy decisions at its last Open Market Committee meeting. It was no surprise that the Fed might have tightened policy but it is unprecedented for its decisions to be disclosed before publication of the committee's minutes later in the month.

Bonds shaded lower as traders braced themselves for next week's sales of Treasury securities. Attention focussed on the $4.75bn of 30-year bonds and $5.25bn in 10-year notes for sale next Wednesday and Thursday.

The market believes that the Treasury will have to offer a 13 per cent yield on the bond to tempt a market devoid of retail support – and also unhappy with the admission of further losses by Marsh & McLennan, which now joins Drysdale Government Securities and Lombard-Wall as an uneasy reminder of the hazards of the federal bond market.

In the yield only market, the new 30-year bond showed a yield of 12.93 per cent before reacting to 12.93 pe cent. The existing key bond traded at 93⅜, virtually its lowest trading level since issue.

KEY MARKET MONITORS



STOCK MARKET INDICES

	May 3	Previous	Year ago
NEW YORK			
DJ Industrials	1181.53	1186.56	1208.01
DJ Transport	514.40	517.08	515.80
DJ Utilities	126.89	126.49	127.91
S&P Composite	161.20	161.90	162.34
LONDON			
FT Ind Ord	922.8	534.61	694.4
FT-SE 100	1141.6	1140.1	943.8
FT-A All-share	536.26	536.12	430.89
FT-A 500	587.34	585.24	469.25
FT Gold mines	671.4	668.0	653.6
FT-A Long gilt	n/a	10.34	10.38
TOKYO			
Nikkei-Dow	11105.46	11105.5	8704.39
Tokyo SE	closed	868.73	634.87
AUSTRALIA			
All Ord.	767.5	761.1	594.2
Metals & Mins.	537.5	537.1	527.5
AUSTRIA			
Credit Aktien	55.02	54.96	59.20
BELGIUM			
Belgian SE	155.75	156.11	122.51
CANADA			
Toronto Composite	n/a	2359.2	2325.3
Montreal Industrials	n/a	416.36	396.31
Combined	n/a	393.8	387.44
DENMARK			
Copenhagen SE	202.3	200.88	138.45
FRANCE			
CAC Gen	181.7	178.2	121.6
Ind. Tendance	115.0	114.1	75.0
WEST GERMANY			
FAZ-Aktien	359.18	358.96	319.53
Commerzbank	1047.4	1047.1	937.6
HONG KONG			
Hang Seng	1004.61	1032.6	1003.15
ITALY			
Banca Comm.	215.11	215.66	197.06
NETHERLANDS			
ANP-CBS Gen	161.4	160.9	123.7
ANP-CBS Ind	129.1	128.4	101.0
NORWAY			
Oslo SE	290.37	291.37	185.88
SINGAPORE			
Straits Times	980.51	994.68	949.6
SOUTH AFRICA			
Golds	1019.8	1017.3	917.3
Industrials	1074.7	1070.1	886.0
SPAIN			
Madrid SE	118.65	117.48	110.14
SWEDEN			
J & P	1544.83	1530.85	1426.88
SWITZERLAND			
Swiss Bank Ind	384.5	383.5	327.7
WORLD	May 2	Prev	Year ago
Capital Int'l	190.6	189.6	177.6

GOLD (per ounce)

	May 3	Prev
London	$379.25	$377.50
Frankfurt	$378.50	$377.50
Zürich	$378.50	$377.50
Paris (fixing)	$377.80	$376.83
Luxembourg (fixing)	$377.25	$377.25
New York (May)	$378.00*	$378.30

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR May 3	U.S. DOLLAR Previous	STERLING May 3	STERLING Previous
$	–	–	1.41	1.3985
DM	2.713	2.729	3.8275	3.82
Yen	226.6	227.1	319.75	317.75
FFr	8.3275	8.3775	11.74	11.715
SwFr	2.246	2.249	3.17	3.1475
Guilder	3.055	3.074	4.31	4.3
Lira	1681	1687.5	2369.5	2359.5
BFr	55.39	55.62	78.1	77.8
C$	1.28975	1.29625	1.8165	1.845

INTEREST RATES

	May 3	Prev
Euro-currencies (3-month offered rate)		
£	9¼	9
SwFr	3 11/16	3 13/16
DM	5 11/16	5¾
FFr	12 9/16	12 1/16
FT London Interbank fixing (offered rate)		
3-month U.S.$	11⅛	11⅛
6-month U.S.$	11 7/16	11 7/16
U.S. Fed Funds	11 7/16*	10¾
U.S. 3-month CDs	10.65*	n/a
U.S. 3-month T-bills	9.64*	9.69

U.S. BONDS

	May 3* Price	May 3* Yield	Prev Price	Prev Yield
Treasury				
11⅞ 1986	99 25/32	11.89	99 25/32	11.89
12¼ 1991	98 5/32	12.76	98 3/32	12.77
11.75 1993	94 1/32	12.85	94 2/32	12.85
12 2013	93 5/32	12.90	93 9/32	12.88
Corporate				
AT & T				
10⅜ June 1990	89⅞	12.80	89⅞	12.80
3⅜ July 1990	70⅞	10.50	70⅞	10.50
8¾ May 2000	69⅝	13.45	69⅝	13.45
Xerox				
10¾ March 1993	86⅜	13.20	86⅜	13.20
Diamond Shamrock				
10⅞ May 1993	85¾	13.40	85¾	13.40
Federated Dept Stores				
10⅜ May 2013	79⅛	13.40	79⅛	13.40
Abbot Lab				
11.80 Feb 2013	88⅝	13.35	88⅝	13.35
Alcoa				
12⅛ Dec 2012	89¼	13.75	89¼	13.75

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	64-15	64-22	64-14	64-16
U.S. Treasury Bills (IMM) $1m points of 100%				
June	89.92	89.96	89.90	89.90
Certificates of Deposit (IMM) $1m points of 100%				
June	88.96	89.00	88.93	88.94
LONDON				
Three-month Eurodollar $1m points of 100%				
June	88.81	88.86	88.81	88.79
20-year Notional Gilt £50,000 32nds of 100%				
June	105-23	106-12	105-23	106-06

COMMODITIES

(London)	May 3	Prev
Silver (spot fixing)	645.40p	640.70p
Copper (cash)	£1029.50	£1046.00
Coffee (May)	£2134.50	£2117.50
Oil (spot Arabian light)	$28.30	$28.30

LONDON

Base rate fears fail to deter

UNDETERRED by increasing fears of a possible rise in UK banks' base lending rates, leading shares continued their record-breaking run yesterday. Investment demand was again highly selective and much of the early interest centred around the start of dealings in the new FT-SE 100 share index traded option contracts.

Blue chips began the day cautiously, but buyers soon began to show occasional interest and the FT Industrial Ordinary share index gradually improved to close at a record 922.8, up 3.4.

A possible rise in base lending rates, however, took its toll on sentiment in the gilt-edged market which traded on an extremely subdued note. Among the shorts, the new Treasury 9½ per cent convertible made its debut; in £50-paid form, the stock closed at ¼ discount on the issue price.

Chief price changes, Page 48; Details, Page 49; Share information service, Page 50-51.

TOKYO

Foreigners queue up for seats

FOREIGN brokerage houses will almost certainly have "seats" on the Tokyo stock exchange within three years, *writes Shigeo Nishiwaki of Jiji Press.*

Strong pressure from the U.S. for foreign access to exchange membership featured at three meetings this year of the two countries' ad hoc group on yen-dollar exchange rate issues. As well as liberalised money and capital markets, the U.S. is pressing for an open-door policy for Japan's securities industry.

Having reached an understanding with Mr Donald Regan, the U.S. Treasury Secretary, Mr Noboru Takeshita, Japan's Finance Minister, coaxed agreement from domestic securities houses and the exchange to accept the U.S. demand.

At present, eight foreign securities firms operate in Japan. But without membership on the exchange, they are obliged to deal in Japanese stocks through Japanese securities companies on a commission basis. Under the banner of reciprocity, Merrill Lynch, the largest U.S. broker, has long been urging the Japanese authorities to ease the way for foreign securities firms' entry.

The number of exchange members is limited to 83 by its constitution. Foreign-owned brokerage houses have been allowed to acquire seats on the exchanges since 1982 when the constitution was altered to eliminate the regulation banning foreign (securities firms from becoming members amid growing) concern over U.S.-Japan trade friction.

However, foreign firms have since been denied a chance to purchase seats as vacancies – created by mergers between members – were filled immediately by Japanese candidates. Moreover, transferable rights cost more than Y1bn – another major deterrent to foreign firms' participation in the exchange.

Tokyo stock markets were closed yesterday for a holiday

EUROPE

Concern discounts results

A BATCH of sparkling corporate results provided **Frankfurt** investors with the opportunity to repeat the previous session's strong advance but growing concern over the metal and print union demand for a shorter working week took the shine off the early sentiment and the bourse closed largely mixed with only a 0.3 gain in the Commerzbank index to 1,047.4, against the previous rise of 15 points.

Bayer's stronger earnings and higher dividend for 1983 was largely ignored and closed down 10 pfg to DM 175.40. AEG managed a DM 2 advance to DM 99.50 ahead of its results next week.

Bonds finished mixed after dull trading as the Bundesbank sold DM 9.2m in paper after sales of DM 12.1m on Wednesday.

Active trading in **Paris** resulted from Wall Street's overnight strength and the recent appreciation of the dollar against the franc which has benefited a large number of stocks with significant markets in the U.S. Also boosting sentiment was a statement by M Jacques Delors, Finance Minister, indicating that the Government will pursue its austerity programme through 1985.

BSN Gervais finished FFr 75 up at FFr 2,845 while Moët-Hennessy was FFr 19 ahead at FFr 1,670; Pernod Ricard advanced FFr 8 to FFr 810 although Perrier shed FFr 4 to FFr 546 on suggestion that a major shareholder had negotiated a large block sale of up to 1m shares to London institutional investors.

A firm tone emerged in **Zurich** with foreign demand buoying banks although gains were generally limited to about SwFr 20.

Bank Leu scored a SwFr 25 rise to SwFr 3,920 on its first-quarter results as Union Bank moved SwFr 15 ahead to SwFr 3,650.

Bonds investors held back due to concern over U.S. interest rates, with prices narrowly mixed by the close.

Quiet trading saw limited price movements in **Amsterdam** yesterday although sentiment improved towards the end of the session.

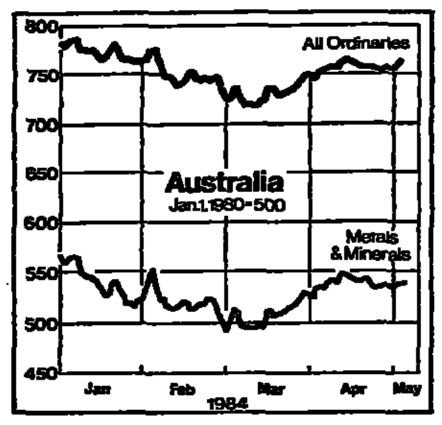
ABN recovered from an opening loss of Fl 12 to finish Fl 7 down at Fl 361 ex dividend

Bonds rose on buying by professional traders who had sold paper during the previous session in anticipation of a new state bond issue.

A downward correction began in **Brussels** with Petrofina one of the few industrial shares to gain with a BFr 20 rise to BFr 7,960.

In **Stockholm**, Pharmacia held steady at SKr 283 ahead of its higher first-quarter results. Swedish corporate insolvencies rose during the first quarter by 6 per cent to 1,345.

Dull trading in **Milan** left shares easier while **Madrid** rose on moderate trading.



AUSTRALIA

Speculative enthusiasm dominates

SPECULATIVE buying in BHP, Australia's largest company, fired enthusiasm for a broad range of industrial and mining issues in Sydney yesterday.

Symbolising the resurgence, the All-Industrials index resurfaced above the 1,000 level to close up 6.3 at 1005.5 – its highest since February 8. The All-Ordinaries index advanced 6.4 to 767.5.

Reports, later denied by BHP, that a British Petroleum-led consortium in which it holds a share had encountered oil shows off the Chinese mainland were sufficient to inspire support. The reports, said to have emanated from London, provided the lead the market had been awaiting for several days to trigger underlying strength. BHP closed 25 cents higher at A$11.75 with brokers reporting strong overseas buying.

Although BHP bore the bulk of support, other oil and gas stocks were heavily traded. Among the leaders, Santos added 6 cents to A$6.90 and Woodside 7 cents to A$1.35.

Golds were firmer with Peko up 6 cents to A$5.16 while 5-cent improvements took Poseidon to A$4.85 and GMK to A$10.05. Coal stocks recovered some ground lost earlier in the week on doubts about future contracts with Japan. Howard Smith rose 4 cents to A$3.90 and Queensland Coal Trust held steady at A$1.18 on a large volume.

SINGAPORE

DOMESTIC political issues unnerved investors in Singapore yesterday who withdrew support and mounted sustained selling across a wide front.

Falls outnumbered rises 17-to-one and, reflecting a heightened selling pressure, volume rose from 6m to 7.3m. The Straits Times index fell 14.17 to 980.51.

Promet remained the most heavily traded stock and dipped a further 18 cents to S$3.62. Among other losers Genting fell 20 cents to S$5.20, Malayan Cement 15 cents to S$6, Cold Storage 12 cents to S$4 and Weatnes 12 cents to S$4.60.

HONG KONG

CONCERN that local interest rates may rise served to dampen trading in Hong Kong yesterday. On thin volume, the Hang Seng index slid 28.03 to 1004.61, its lowest level since mid-January.

Principal losers included Swire Pacific A which fell 30 cents to HK$16.70, Hutchison 60 cents to HK$16.40 and Jardines 40 cents to HK$10.30.

SOUTH AFRICA

GOLD ISSUES moved forward in Johannesburg yesterday under the influence of a stronger bullion price. Other mining stocks shared the improved tone.

Southvaal and Freguls each added 25 cents to close at R81 and R52 respectively, while Sallies rose 10 cents to R9

CANADA

A FIRM trend failed to emerge during trading in Toronto with price movements in all sectors restricted to a narrow range. Rises slightly outnumbered falls on light volume.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20¾	11½	AAR	.44	2.2	21	53	19⅞	19¾	19⅞	+⅛
53	31½	ACF	1.40	2.7	659	132	52⅞	52½	52½	-⅛
22	15½	AMCA	n 1	5.6		5	18	18	18	+¼
18⅝	12⅝	AMF	.50	3.0		1285	16¾	16	16⅝	+⅛
41¼	25	AMR Cp			7	4061	35½	34½	34¾	-⅞
20⅝	17½	AMR	pf2.18	11		148	20	19⅝	20	+⅛
41½	29⅝	AMR	pf2.13	5.8		402	37	36½	36½	-½
26¾	23	ANR	pf2.67	11		3	23¾	23¾	23¾	+⅛
16¾	6¾	APL			4	784	13⅞	13½	13¾	+⅛
55¾	40⅞	ARA	2.10	4.8	9	77	44	43¾	43½	-⅛
77¾	50¾	ASA	3a	4.6		337	65½	64¾	65⅛	+⅛
33¾	17	AVX	.32	1.4	17	x462	22⅞	22¼	22¾	
53⅛	38¾	AbtLab	1.20	2.7	15	785	44	43⅞	43¾	-⅛
30¾	23¾	AccoWd	.60	2.2	19	128	27⅞	26½	27⅞	+⅛
27½	19⅞	AcmeC	.40	1.9		27	21¾	21⅛	21¾	+¼
13	8⅞	AcmeE	.32b	3.3	27	1	9⅝	9⅝	9⅝	
24⅞	12⅞	AdmDg	.04	.3	8	27	13¾	13½	13¾	-⅛
18⅝	15⅝	AdaEx	2.11e	13		21	16⅛	16	16	-⅛
19⅝	11	AdmMl	.28	1.7	8	3	16⅝	16¼	16⅛	-⅛
22	14½	AdvSys	.81t	5.1	16	25	16	15⅞	16	+⅛
18⅞	8⅞	Advest	.12	1.2	12	18	9⅞	9⅝	9⅞	
37½	18½	AMD	s		28	3907	34½	33¾	34	-⅝
24⅝	11⅞	Agnlx	s		12	11	12½	12¼	12½	
43½	33⅝	AetnLf	2.64	7.5	19	1721	35⅞	35¼	35½	-⅛
58¾	54⅛	AetL	pf5.28e	9.3		133	57⅛	56⅝	57	-⅛
40½	20	Ahmns	1.20	5.3	6	587	24⅛	23⅝	23⅞	+⅛
7⅞	3⅞	Aileen				35	3⅞	3¾	3⅞	+⅛
51	36½	AirPrd	1	2.2	11	1254	45⅞	45¼	45½	-⅛
30⅞	16	AirbFrt	.60	3.0	12	555	20⅞	20¼	20⅛	+⅛
3¾	1⅛	AlMoa	s			172	3¾	3⅞	3⅞	
33½	28¾	AlaP	pfA3.92	14		2	29	29	29	+⅛
7⅞	6½	AlaP	dpf.87	13		32	6⅞	6¾	6⅞	
74½	64⅛	AlaP	pf 9	14		z200	64½	64⅛	64⅛	-⅛
81½	67¾	AlaP	pf9.44	14		z200	68¾	68⅛	68⅛	
70	57	AlaP	pf8.28	14		z170	58⅛	58⅛	58⅛	-1⅞
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 47

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅝	12⅝	ALLab	n		21	2	13⅝	13⅝	13⅝	+¼
4⅝	1¼	ATI				22	1¼	1¼	1¼	
64	58¼	ATTFd	n.46e	7		110	62½	62	62¼	+⅛
12⅞	3⅞	AcmePr				2	3⅞	3⅞	3⅞	+⅛
19¼	12¼	AcmeU	s.32	2.3	14	184	13⅝	13¼	13¼	+¼
14¼	9¼	Action	s		9	35	13	12⅞	13	
12	6⅞	Actons	1t	13		5	7¼	7¼	7¼	
6½	1⅞	Acto	wt			2	2	2	2	
8	2⅞	AdmRs			4	70	3⅞	3¼	3¼	−¼
30⅞	15⅞	AdRusl	s.10	.5	11	117	18¼	18	18¼	+⅛
28¼	17⅞	Adobe	.24	1.0	16	49	23⅞	23⅝	23½	−¼
6¼	3⅞	AeglsCp			18	800	6⅞	6	6	
6⅞	4	Aeronca			4	42	5¼	5⅛	5⅛	−¼
32½	21⅞	AffHsp	.40	1.8	9	1	22⅞	22⅞	22⅞	+⅛
45	36	AlliPub	.80	1.8	15	18	43½	43	43½	+½
17½	6⅞	AllSk	.12e	1.1	8	8	11	11	11	+⅛
15½	5⅞	AirExp				50	6⅞	6⅞	6⅞	+⅛
5⅞	4	Alamc	n		9	8	4⅞	4⅞	4⅞	
23⅞	9½	AlbaW	.20e	2.0	6	272	10½	10	10	−⅛
12¼	3⅞	AlnTr	s			6	3⅞	3⅞	3⅞	−⅛
10½	6⅞	Aloha	.40r	5.4	3	6	8⅞	8⅞	8⅞	
28⅞	12¼	Alphain	.05	.3	19	138	15¼	14¼	15	+½
2⅞	1⅛	Altex				20	1⅞	1¼	1¼	−⅛
32½	11⅞	AlzaCp			68	105	15¼	14⅞	15	−¼
28⅞	11⅞	Amdhl	s.20	1.5	15	314	13¼	13¼	13⅜	+⅛
25¼	11	Amedco	.08	.5	19	42	15⅞	15¼	15⅞	+⅛
7½	4¼	AmBilt	.15	2.8	12	6	5⅞	5⅞	5⅞	−⅛
9⅞	2⅞	AmCap				2	5⅞	5⅞	5⅞	+⅛
39	29⅞	AContrl	.92	2.9	10	1	31¼	31¼	31¼	
44¼	15¼	AExp	wt			56	19⅞	18¼	19⅞	+⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 48

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 46

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45½	35⅛	WhrlC	pfC3	7.1		10	42½	42¼	42¼	
35⅞	19	Whtehl			7	769	22⅛	21⅞	22⅛	+¼
34¼	17¼	Whitak	1.60	7.8	6	1397	20⅝	20⅛	20½	−½
11¼	7⅛	Wiebldt		5.7		15	8	7⅞	7⅞	−⅛
30⅛	22	William	1.20	4.3	8	697	28⅞	28⅛	28⅛	−⅜
17	3⅞	WilmEl			3	149	4½	4¼	4½	+¼
10⅞	6¼	WilshrO	.04e	.5	21	34	8⅞	8⅝	8⅝	−⅜
37⅞	26¼	WinDx	s1.56	5.2	11	70	30¼	30	30	−¼
23⅞	8¼	Winnbg	.10e	1.0	12	591	10	9¾	9⅞	
12¼	6¾	WinterJ			19	2	7⅝	7½	7½	−⅛
28½	22¼	WiscEP	2.28	8.6	6	338	26¾	26⅛	26⅝	+⅝
85	74	WisE	pf8.90	12.		z100	73	d73	73	−1
29½	23	WiscPL	2.48	9.4	7	22	26¼	25	26¼	+⅛
30½	22⅞	WiscPS	2.32	8.8	7	105	26½	26¼	26½	+¼
38½	26⅛	Witco	s1.32	3.9	9	642	35¼	33	34¼	−1¼
29¼	14⅛	WolvrW	.48	3.0	20	3618	16	15⅝	15⅞	−⅛
29½	21⅞	WoodPt	.72	2.9	22	74	25¼	24⅝	25	−¼
35⅞	28⅞	Wolwth	1.80	5.1	9	3125	35⅛	33⅞	35⅛	+1⅛
54⅞	42½	Wolw	pf2.20	4.5		5	49¼	49	49¼	+2
7⅛	3⅞	WrldAr				31	4⅞	4½	4⅞	+⅛
57¼	45	Wrigly	1.80	3.6	10	166	51¼	49⅞	50	+⅜
8⅞	5½	Wurltzr				27	6	5⅞	6	+¼
25⅛	13¼	WyleLb	.32	1.8	17	104	17½	17	17½	+⅛
17⅞	9	Wyly				27	10⅛	10	10	−½
22¼	16½	Wynns	.60	3.4	10	21	18⅛	17⅞	17⅞	−¼
		X-Y-Z								
52⅛	38⅞	Xerox	3	7.3	9	1514	41⅛	40⅝	41	
53⅛	47	Xerox	pf5.45	11.		24	49¼	48¼	49¼	+⅜
37	21⅛	XTRA		2.4	13	755	26½	25½	26¼	+¼
34	24	ZaleCp	1.26	4.8	10	25	26⅞	26¼	26⅞	+¼
24⅞	15⅛	Zapata	.84	3.5	15	762	24⅜	24	24	−⅛
52¼	31¼	Zayre	s.40b	1.0	11	286	38¼	38	38⅛	
38⅞	18½	ZenithE			13	1807	31⅛	30¼	30¼	+⅛
27⅝	19¾	Zero	s.36	1.8	17	233	20	19⅞	20	+⅛
37½	21⅛	Zurmin	1.32	5.5	11	171	24⅛	23⅞	24	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. h–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

May. 3	Price Sch%	+ or −
Creditanstalt	213	......
Goesser	386	−1
Interunfall	407	......
Laenderbank	204	−1
Perlmooser	362	−1
Steyr-Dimler a	149	+1
Veitscher Mag	217	......

BELGIUM/LUXEMBOURG

May 3	Price Frs.	+ or −
ARBED	1,840	−10
Banq Int A Lux	5,000	......
Bekaert B	4,000	+40
Ciment CBR	2,350	−50
Cockerill	322	−2
Delhaize	4,940	......
EBES	2,780	−10
Electrobel	6,770	+10
Fabrique Nat	2,200	+25
GB Inno BM	3,285	+25
GBL (Brux)	2,345	−5
Gevaert	3,230	−50
Hoboken	5,610	+10
Intercom	2,100	−10
Kredietbank	7,190	+80
Pan Hldgs.	9,890	+50
Petrofina	7,960	+20
Royale Belge	9,080	......
Soc. Gen. Banq	3,190	−20
Soc. Gen. Belge	1,930	......
Sofina	6,620	+30
Solvay	4,180	−40
Traction el	3,805	−70
UCB	5,240	−20
Vieille Mont	4,260	+100

DENMARK

May 3	Price Knr %	+ or −
Aarhus Olie	410	+3
Andelsbanken	263	+1
Baltic Skand	670	+25
CopHandelsbank	262	......
D. Sukkerfab	695	+5
Danske Bank	261	......
East Asiatic	177	+1
Forenede Brygg.	995	......
Forenede Damp.	160	......
GNT Hldg.	570	+5
I.S.S.B.	625	......
Jyske Bank	595	+5
Novo Ind	2,575	+5
Privatbanken	278	+3
Provinsbanken	352	......
Smidth (F)	227	+4

GERMANY

May 3	Price Dm.	+ or −
AEG-Telef	99.5	+2
Allianz Vers	787	+5
BASF	169.2	−1.3
Bayer	175.4	−0.1
Bayer-Hypo	299	......
Bayer-Verein	349	+1
BHF-Bank	283	−1.5
BMW	404	+5
Brown Boveri	219.8	+1.8
Commerzbank	180	−0.5
Cont'l. Gummi	132	−1.5
Daimler-Benz	586	−7
Degussa	403xd	+3
Demag	146	......
D'sche Babcoc	167	−1
Deutsche Bank	385.5xd	−1
Dresdner Bankk.	176.5	−0.7
GHH	150	−2
Hochtief	515	+4
Hoechst	184	−2.5
Hoesch Werke	115.6	−0.4
Holzmann (P)	422	−4
Horten	196.5	−1.5
Kali und Salz	197.5	+0.5
Karstadt	275	+3
Kaufhof	262	......
KHD	251.5	+1.5
Kloeckner	61.5	−0.5
Krupp	77	−1
Linde	388	−2
Lufthansa	157	−1
MAN	154	−0.5
Mannesmann	148.7	+0.2
Mercedes Hld	501	−2.5
Metallgesell	243	−0.5
Muench Rueck	1,130	......
Preussag	277	+1
Rhein West Elect	164.7	−0.5
Rosenthal	229	......
Schering	353.5	+0.5
Siemens	402.5	−1.5
Thyssen	85.7	−0.2
Varta	173	......
Veba	172.3	......
V.E.W	121.5	......
Verein-West	302	+1
Volkswagen	203	+1

ITALY

May 3	Price Lira	+ or −
Banca Com'le	34,880	+30
Bastogi-IRBS	144	+0.8
Centrale	1,860	−17
Credito Varesino	5,485	−14
Fiat	4,215	+19
Finsider	38	......
Generali Assicur	36,650	−100
Invest	3,325	−17

NORWAY

SPAIN

SWEDEN

SWITZERLAND

NETHERLANDS

FRANCE

AUSTRALIA

AUSTRALIA (continued)

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO

Prices at 2.30 pm May 3

OVER-THE-COUNTER

Nasdaq national market, 3pm prices

Continued on Page 56

LONDON

Chief price changes
(In pence unless otherwise indicated)

RISES

BSR Int'l	292	+ 7
Beazer (C. H.)	430	+28
Cadbury Schw.	141	+ 4
Downiebrae	27	+ 6
Finlan (John)	210	+ 9
GKN	204	+ 8
Hanson Trust	218	+ 8
Hartwells	100	+ 6
Hunting Assoc	240	+30
Ibstock Johnsen	198	+14
Imperial Group	166	+ 4
Johnson Matth.	275	+22
Joseph (Leopold)	302	+12
Marley	94	+ 5
Martin, News.	274	+14
RHP	68	+ 5
Racal Elect.	233	+ 5
Steetley	282	+14
Turner & Newall	100	+ 5
BP	520	+ 5
Hadson Petr.	78	+ 8
Ultramar	670	+ 8
Zandpan Gold	987	+31

FALLS

Tr 11¾pc 2003-07	£112¾	− ½
ICI	608	−10
Lawrence(Walt.)	228	−18
Leisuretime Int.	62	− 7
Lyles (S.)	108	− 6
MEPC	298	− 7
Bryson Oil, Gas	615	−40

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 47

NEW YORK - DOW JONES

	May 3	May 2	May 1	Apr 30	Apr 27	Apr 26	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1181.53	1186.56	1183.8	1170.75	1169.87	1175.25	1286.64 (6/1)	1098.8 (16/4)	1287.2 (29/11/83)	41.22 (2/7/32)
Transport	514.4	517.08	510.46	498.91	497.74	499.28	612.63 (9/1)	484.16 (9/4)	612.63 (9/1/84)	12.23 (8/7/32)
Utilities	126.89	126.49	126.01	125.8	125.39	125.77	134.83 (6/1)	123.7 (23/2)	163.32 (20/4/69)	10.85 (28/4/42)
Trading vol 10000's†	9191	10789	10550	–	8987	9900	–	-	-	-

	Apr 27	Apr 19	Apr 13	(Year Ago Approx)
Ind div yield %	4.72	4.77	4.80	4.48

STANDARD AND POORS

	May 3	May 2	May 1	Apr 30	Apr 27	Apr 26	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	182.78	183.7	183.58	181.82	181.59	182.01	190.84 (6/1)	174.1 (22/3)	189.22 [illegible]	3.52 [illegible]
Composite	161.2	161.9	161.68	160.05	158.89	160.3	169.28 (6/1)	154.29 (23/2)	170.99 (22/8/83)	4.4 (1/6/32)

MONTREAL

	May 3	May 2	May 1	Apr 30	1984 High	1984 Low
Industrials	122.78	-	121.83	418.28	451.46(5/1)	121.83(1/5)
Combined	114.92	-	114.2	393.8	433.87(6/1)	114.2(1/5)
TORONTO Composite	-	-	–	-	2585.7(8/1)	2400.9(30/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

LONDON STOCK EXCHANGE

MARKET REPORT

Equities undeterred by base rate uncertainties but gilts weaken—Imperial Group feature

turn to 177p. Among Retailers, **Associated Dairies** were favoured and added 4 to 184p, while **J. Sainsbury** rose 7 afresh to a 1984 peak of 552p. Elsewhere, *Hazlewoods* moved up 25 to 725p.

Leading Hotels and Caterers continued to trade briskly. Publicity given to a broker's circular lifted **Trusthouse Forte** to 133p before the close of just a penny dearer on balance at 132p. **Grand Metropolitan** hardened a couple of pence to 360p. Elsewhere, recently firm **Comfort International** shed 2½ to 49½p on profit-taking and **Garfunkels** lost 10 to 280p for the same reason. *Kennedy Brookes* rose 12 to 265p, but **Leisuretime International**, in which KB recently acquired a near 7 per cent stake, fell 7 to 62p.

Hanson Trust higher

Hanson Trust continued to attract a considerable amount of interest among the Miscellaneous Industrial leaders; the shares rallying smartly from an initial level of 206p to finish a net 6 better on the day at 218p. **Glaxo** added 8 at 873p and *Unilever* firmed 10 to 945p while **BTR** appreciated 4 at 495p. Elsewhere, **Johnson Matthey** jumped 22 to 275p, after 282p, in

mier, 3 up at 56p, after 57p. **Shell** were finally 3 to the good at 647p, after 650p, while **Ultramar** attracted support and moved up 8 to 670p, as did **Sovereign Oil**, 300p and **Hadson Petroleum**, 78p.

Golds rally

The recent downturn in South African Golds was brought to a halt as a modest rise in the bullion price was followed by persistent London buying interest.

Demand found the market relatively short of stock and share prices responded accordingly to register widespread, although generally modest gains, which were consolidated in after-hours trading by the emergence of minor buying interest from the U.S.

The Gold Mines index, down almost 26 points over the previous four trading days, rallied 3.4 to 671.4, while bullion edged up to close a net $1.5 firmer at $379.25 an ounce.

South African Coals were again featured by Clydesdale (Transvaal) Collieries which jumped 50 more to 925p, compared with last Monday's pre-suspension price of 700p.

Transvaal Consolidated Land encountered small selling ahead of the interim results expected today and eased ¼ to £33.

Australians failed to extend Wednesday's good performance. The leaders were generally content to mark time changes were confined to a *couple of* pence either way—while the speculative issues were usually a fraction easier. **Metals Exploration** were an exception and rose 3 to 45p while **Cultus Pacific** improved 1½ to 12½p.

Profit-taking prompted widespread falls throughout Malaysian tins.

Dealings in the new Traded Options contract in the FTSE 100 index got off to an encouraging start with around 1,750 trades struck by noon; at the 3.30 close, 1,502 calls and 1,157 puts had been transacted with the June 1150 series proving most popular accounting for 876 calls and 539 puts. Activity elsewhere improved with another lively trade in Imperial Group reflecting a bear squeeze in the underlying stock; 1,472 calls were done in Imps with the buoyant May 160's accounting for 653 and the August 160's for 597. Hanson Trust attracted 753 calls, 402 in the June 200's. Total contracts struck, including the new index contract, amounted to 7,469.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (127)

BRITISH FUNDS (1)
CORPORATION LOANS (1)
AMERICANS (3)
BANKS (2)
BUILDINGS (4)
CHEMICALS (2)
STORES (9)
ELECTRICALS (11)
ENGINEERING (8)
FOODS (8)
HOTELS (4)
INDUSTRIALS (26)
INSURANCE (1)
LEISURE (1)
MOTORS (3)
NEWSPAPERS (4)
PAPER (3)
PROPERTY (7)
SHIPPING (1)
TEXTILES (2)
TOBACCOS (2)
TRUSTS (15)
OILS (6)
PLANTATIONS (1)
MINES (2)

NEW LOWS (47)

BRITISH FUNDS (27)
INT. BANK & O'SEAS GOVT. STLG. ISSUES (2)
Australia 11½pc Ln 2015 — New Zealand 11¼pc 2008
CORPORATION LOANS (1)
Sunderld. 12¼pc '84
LOANS (2)
N'wide 10¼pc 28/1/85 — Do. 10⁵⁄₁₆pc 18/2/85
BANKS (1)
First Pacific Finance
ELECTRICALS (2)
Murray Tech. Invs. — Thorpe (F. W.)
HOTELS (1)
Savoy Hotel A
INDUSTRIALS (6)
Elsco — Shiloh
Securicor — Star Computer
Security Services — United Parcels
INSURANCE (1)
Marsh & McLennan
NEWSPAPERS (1)
Gordon & Gotch
SHIPPING (1)
Lon. & O'seas Freighters
TRUSTS (2)
Rights & Issues Cap. — Mercantile House

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Beazer (C. H.)	430	+28
BP	520	+ 5
Bryson Oil & Gas	615	−40
GKN	204	+ 6
Hanson Trust	218	+ 6
ICI	606	−10
Imperial Group	168	+ 4
Johnson Matthey	275	+22
Land Securities	286	− 5
Martin The Newsagent	274	+14
Tate & Lyle	410	− 3
Tricentrol	217	+ 2

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
BP	20	515	+ 7
Sound Diffusion	18	160	+12
Woolworth	17	533	+25
Laing (J.) A	16	220	+18
Burmah Oil	15	186	+ 2
Distillers	15	313	− 2
Glaxo	14	865	− 5
Martin The Newsagent	14	260	+10
Tricentrol	14	215	+ 5
Unilever	14	935	+20
Cable & Wire	13	346	+ 8
Barclays Bank	12	497	− 8
Shell Transport	12	645	− 3
Assoc Dairies	11	180	+ 6

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
May 8	May 18	Aug 9	Aug 20
May 21	June 8	Aug 30	Sept 10
June 11	June 22	Sept 13	Sept 24

For rate indications see end of Share Information Service

Call options were arranged in **Bryson, Hanson Trust, John Brown, Trusthouse Forte, Fleet Holdings, Smith St. Aubyn, Atlantic Resources, Intervision, Tootal, Berkeley and Hay Hill, Brunswick Oil, Woodside, Appleyard, H. & J. Quick,** *Dunlop, Eglinton Oil and Gas,* **Aran Energy, Hongkong Land, Land Securities, Norfolk Capital, Hazlewood and Brengreen.** Puts were struck in **Southend Stadium and Royal Bank of Scotland,** but once again, no doubles were reported.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs May 3 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Wed May 2 Index No.	Tues May 1 Index No.	Mon April 30 Index No.	Fri April 27 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (282)	530.23	+0.2	8.88	3.53	14.32	529.26	531.23	529.37	530.84	478.63
2	Building Materials (24)	532.44	—	10.84	4.26	11.32	532.51	533.55	535.44	537.59	433.74
3	Contracting, Construction (32)	749.92	—	12.56	4.98	10.02	750.07	753.59	756.81	762.45	762.47
4	Electricals (14)	1741.28	−0.2	7.65	4.19	16.36	1745.32	1729.37	1738.57	1734.62	1771.66
5	Electronics (27)	1801.54	−0.3	7.92	2.12	16.37	1807.24	1830.40	1799.26	1813.80	0.0
6	Mechanical Engineering (62)	252.68	+0.1	10.75	4.75	11.51	252.51	251.66	252.67	253.45	228.32
8	Metals and Metal Forming (9)	204.17	+3.7	10.32	6.18	12.22	196.80	194.98	197.57	198.77	181.95
9	Motors (17)	143.40	+1.0	4.46	3.95	—	141.92	141.62	143.32	142.05	102.60
10	Other Industrial Materials (17)	712.82	+1.0	6.12	3.36	20.52	705.89	703.43	706.66	696.98	459.98
21	CONSUMER GROUP (195)	551.12	+0.5	9.53	3.84	12.92	548.22	544.64	543.25	540.97	427.88
22	Brewers and Distillers (23)	560.95	−0.1	10.71	4.30	11.56	561.46	558.32	548.31	546.57	461.65
25	Food Manufacturing (22)	413.56	+0.5	13.34	5.18	9.17	411.41	406.49	407.22	408.56	331.92
26	Food Retailing (12)	1247.59	+1.1	6.76	2.36	19.04	1233.99	1216.92	1212.10	1209.96	854.70
27	Health and Household Products (9)	830.44	+0.9	5.91	2.82	19.93	822.67	819.78	824.10	830.68	813.64
29	Leisure (22)	709.24	+0.2	8.24	4.04	15.64	707.83	696.12	692.40	693.01	545.30
32	Newspapers, Publishing (14)	1366.11	−0.7	7.36	3.94	16.74	1375.84	1375.22	1370.71	1370.75	817.67
33	Packaging and Paper (15)	270.43	−0.2	9.38	3.89	13.04	271.05	267.88	269.32	268.84	155.27
34	Stores (47)	494.57	+0.7	7.76	3.32	17.30	490.97	490.21	492.82	489.69	379.34
35	Textiles (20)	317.42	+0.6	9.96	3.84	11.61	315.50	314.96	314.41	311.83	203.65
36	Tobaccos (3)	685.11	+0.7	16.15	5.26	6.99	680.13	677.38	668.10	644.69	447.52
39	Other Consumer (8)	490.96	+0.2	10.47	4.18	—	490.10	491.37	495.63	494.65	381.95
41	OTHER GROUPS (88)	463.99	−0.1	9.25	4.14	13.37	464.46	464.10	463.06	462.90	343.88
42	Chemicals (18)	627.98	−1.1	11.40	4.66	10.95	634.98	635.24	642.45	641.47	476.97
44	Office Equipment (5)	134.41	+0.2	7.95	5.64	16.29	134.09	133.35	134.55	135.26	107.43
45	Shipping and Transport (14)	904.91	−0.3	8.33	4.68	15.97	907.59	904.29	902.43	897.93	657.63
46	Miscellaneous (51)	632.45	+0.7	7.83	3.48	15.33	627.85	627.42	618.35	619.06	457.33
49	INDUSTRIAL GROUP (485)	536.33	+0.3	9.28	3.79	13.40	534.61	533.32	531.83	531.09	432.24
51	Oils (15)	1145.34	+0.5	12.78	5.90	9.68	1139.08	1135.57	1147.68	1150.61	875.69
59	500 SHARE INDEX	587.34	+0.4	9.86	4.14	12.60	585.24	583.77	583.43	583.01	469.25
61	FINANCIAL GROUP (120)	384.51	−1.5	—	5.41	—	390.34	390.22	391.50	391.97	317.76
62	Banks (6)	384.95	−3.0	23.55	7.87	4.98	396.74	400.04	400.27	400.50	339.77
63	Discount Houses (7)	460.65	−1.0	—	6.23	—	465.53	463.87	464.99	468.07	305.51
65	Insurance (Life) (9)	479.55	−1.0	—	5.56	—	484.53	483.31	488.11	491.59	399.44
66	Insurance (Composite) (9)	271.46	−1.2	—	6.47	—	274.64	273.59	275.53	276.57	214.18
67	Insurance (Brokers) (6)	762.24	−1.2	9.37	4.35	14.82	771.67	774.12	775.18	779.84	602.45
68	Merchant Banks (12)	239.03	−1.1	—	3.96	—	241.75	241.18	243.06	244.46	169.24
69	Property (53)	581.77	−1.0	5.22	3.44	25.78	587.38	584.94	584.61	579.78	463.70
70	Other Financial (18)	259.91	−0.9	10.81	5.28	11.36	262.21	261.47	261.48	263.84	244.41
71	Investment Trusts (106)	523.65	−0.1	—	3.46	—	524.13	518.54	518.31	519.88	407.47
81	Mining Finance (4)	316.27	−0.1	9.08	4.74	13.22	316.46	315.41	316.70	318.82	281.44
91	Overseas Traders (16)	568.30	−0.1	7.56	6.59	16.67	568.81	571.55	573.42	575.34	452.11
99	ALL-SHARE INDEX (746)	536.26	—	—	4.34	—	536.12	534.74	534.04	534.83	430.88
		Index No.	Day's Change	Day's High	Day's Low						
	FT-SE 100 SHARE INDEX	1141.46	+1.5	1142.8	1137.4		1140.10	1136.80	1138.30	1138.20	0000.00

FIXED INTEREST

	PRICE INDICES	Thurs May 3	Day's change %	Wed May 2	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	117.58	−0.14	117.74	—	4.10
2	5–15 years	129.78	−0.20	130.04	—	4.70
3	Over 15 years	138.34	−0.26	138.70	—	4.34
4	Irredeemables	147.81	—	147.81	—	6.07
5	All stocks	120.60	−0.19	120.84	—	4.47
6	Debentures & Loans	108.53	−0.15	108.68	—	3.62
7	Preference	79.50	+0.22	79.33	—	2.63

	AVERAGE GROSS REDEMPTION YIELDS		Thurs May 3	Wed May 2	Year ago (approx.)
	British Government				
1	Low	5 years	10.39	10.34	9.28
2	Coupons	15 years	10.44	10.40	10.03
3		25 years	9.94	9.93	9.91
4	Medium	5 years	11.04	10.99	11.11
5	Coupons	15 years	10.90	10.85	10.81
6		25 years	10.27	10.23	10.24
7	High	5 years	11.14	11.09	11.17
8	Coupons	15 years	11.07	11.03	10.99
9		25 years	10.38	10.34	10.38
10	Irredeemables†		9.86	9.86	9.91
11	Debs &	5 years	11.57	11.52	11.95
12	Loans	15 years	11.51	11.49	12.06
13		25 years	11.47	11.48	12.87
14	Preference†		12.37	12.39	12.24

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$375	55	8	12	21	5	32	$378.90
GOLD C	$400	—	—	74	9 A	38	18	"
GOLD C	$425	—	—	20	4 A	—	—	"
GOLD P	$350	1	0.10	—	—	—	—	"
GOLD P	$375	6	2.50	1	6.10	—	—	"
GOLD P	$400	20	22.90	—	—	23	21	"
		June		Sept.		Dec.		
SILVER C	$9	1	0.50	—	—	46	1.30	$9.12
SILVER P	$10	—	—	—	—	6	0.90	"
		July		Oct.		Jan.		
ABN C	F.360	44	14	4	21 B	—	—	F.361
ABN C	F.400	51	3.30	11	6.50	—	—	"
ABN P	F.340	61	1.80	—	—	—	—	"
ABN P	F.360	72	9	13	17.50	—	—	"
ABN P	F.380	13	18	45	31	—	—	"
AKZO C	F.90	257	8.50	39	11.50	50	13.60	F.93.70

LONDON TRADED OPTIONS

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99	97⅛	Exch. 3pc 1984	99	+1/16	3.02	9.00
101	101	Treas 12pc 1984	101	–1/32	11.88	9.16
105⅜	104	Treas. 15pc 1985	104	–1/32	14.41	9.50
102¼	102	Exch. 12pc Cnv. '85	102	–1/16	11.76	9.53
95⅛	93⅜	Treas 3pc 1985	95⅛xd	...	3.15	7.96
102⅝	101⅞	Treas 11½pc 1985	101⅞	–1/32	11.29	9.76
99¾	98¼	Treas 8¼pcCnv '85	98⅝	–⅛	8.67	9.81
104	102	Exch. 12¼pc 1985	103⅛xd	–1/16	11.88	10.02
103	102⅛	Exch. 11¼pc '86	102¾	–¼	11.44	10.00
102	100⅛	Treas. 10pcCnv 1986	100⅛	–⅛	9.99	9.91
90¼	88¼	Treas 3pc 1986	89xd	...	3.36	8.84
102	100⅜	Exch. 10½pc Cv '86	100½xd	–1/16	10.45	10.23
104	102½	Treas 12pc 1986	103	–¼	11.65	10.34
98¾	96	Treas 6½pc 1984-86‡‡	96	–1/16	8.77	10.08
108	107	Exch. 14pc 1986	107½	–¼	13.02	10.49
87⅛	85	Exch. 2½pc 1986	86xd	...	2.90	8.59
107	106	Exch. 13¼pc 1987	106	–¼	12.49	10.58
100¼	98	Treas 10¼pcCv '87	99⅛	–1/16	10.34	10.58
86⅛	83	Exch 2½pc 1987	84¼	–1/16	2.97	8.95
101	99¼	Exch. 10½pc 1987	99½	–1/16	10.55	10.69
92	90¼	Funding 6½pc '85-87‡‡	90¾	–⅛	7.16	10.16
99⅝	97	Treas. 10pc 1987	98	–1/16	10.20	10.75
85	82¼	Treas 3pc 1987	82⅞	...	3.62	9.31
105	103	Treas 12pc 1987	103	–1/16	11.60	10.78
94⅞	92	Treas 7¾pc 1985-88‡‡	92⅝	–⅛	8.39	10.24
100⅛	99	Exch 10½pc '88	99xd	–1/16	10.60	10.80
98	96⅛	Treas 9¾pc Cv '88	96⅛	–⅛	10.14	10.93
82	78⅝	Transport 3pc '78-88	78⅝	–1/16	3.82	9.31
96	94	Treas. 9½pc '88	95	–¼	9.99	10.91
106¼	100⅝	Treas 11½pc 1989	102	–¼	11.27	10.91
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
73	45	MCD Group	67xd	−1	1.5	♦	3.2	♦
27½	21	MY Dart 10p	24xd	.....	0.75	♦	4.5	♦
154	138	M'c'rthy Pt. 20p	150	.....	7.0	2.8	6.7	6.6
159	134	Macfarlane Gp	159	+1	3.87	2.6	3.5	12.9
49	37	Macjellan 20p	43	.....	1.6	♦	5.0	♦
117	48½	Macpherson (D.)	109	.....	♦2.25	0.1	2.9	—
64	53	Magnolia Group	53	.....	2.5	♦	6.7	♦
64	43	Mainmet Hldgs 10p	45	.....	—	—	—	47.9
270	157	Man. Ship Can. £1	252	+5	5.5	3.5	3.1	13.0
98	78	Marley	94	+5	3.2	2.1	4.9	13.2
50½	40	Marling Ind. 10p	48½	.....	†1.08	1.7	3.2	(21.0)
46	29	Marshall L'sy. 'A'	38xd	.....	1.2	3.6	4.5	(6.8)
66	64	Marshall's Univ	68	.....	—	—	—	♦
30	22½	Martin-Black	23	.....	—	—	—	—
£108	£88	Matthesons 7¾%	£94	.....	Q7¾%	2.3	(9.0)	—
378	296	Metal Box £1	373	+1	†11.55	3.2	4.4	(9.2)
190	129	Metal Closures	188	.....	6.3	♦	4.8	♦
27	16	Metal Sciences 2½p	22	.....	—	—	—	—
19	11	Metamec Jentique	19½	−¼	0.01	—	—	—
133	109	Midland Marts	110	.....	4.0	2.1	5.2	13.2
64	45	Mitchell Cotts	64	+½	3.62	1.0	8.9	(15.4)
29	18	Molen Grp 10p	22	.....	0.5	♦	3.2	♦
£235	£184	M'santo 5pc 82-6	£212	−3	Q5%	—	2.4	—
168	132	Morgan Crucible	155xd	+1	7.5	♦	6.9	♦
97	82	Moss (Robt.) 10p	94	.....	†2.0	2.4	3.0	17.4
272	197	MMW Computers	237	+4	6.0	3.0	3.6	13.2
65	57	Nash Inds.	65	.....	4.0	2.2	8.8	7.5

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
		Australians					
18	15	♥ACM 20c	15½	.....	—	—	—
38	28	♥Allstate Expl'n. NL	29	.....	—	—	—
10½	4	♥Asia Oil & Minerals	5¼	.....	—	—	—
19	17	♥Aust. Hydrocarbons NL	18	.....	—	—	—
28	20½	♥Australis Mng NL	25½	−1	—	—	—

Tins

Miscellaneous

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
370	255	♥Centennial Min'ls.	298	−15	—	—	—
175	125	♥Colby Res Corp	125	.....	—	—	—
955	740	Cons. Murch 10c	900	.....	100c	1.4	6.5
£20	£15	Eastern Trns. Cns. 50c	£19	.....	Q85c	4.9	2.2
625	550	♥Echo Bay Mines	612	+17	—	—	—
252	203	Hampton Areas 10p	238	.....	3.75	2.1	2.1
205	170	♥Highwood Res	185	.....	—	—	—
£24½	£19⅝	Homestake Mining $1	£22⅛	+⅛	Q20c	—	0.7
365	275	Northgate C$1	310	−5	—	—	—
718	593	RTZ	657	.....	18.0	2.6	4.0
£155½	£130	Do 9¾pcLn'95-2000	£149	.....	Q9½%	♦	f6.5
110	70	♥Sabina Inds C$1	70	.....	—	—	—
£11¼	950	♥Tara Expln $1	975	+15	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 163(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Albany Inv 20p	82	.....
Craig & Rose £1	800	.....
Finlay Pkg 5p	50xd	−2
Higsons Brew	103	.....
Holt (Jos) 25p	880	.....
IoM Stm. £1	147	.....
IRISH		
Exch. 12% 1985	£99	.....
Nat. 9¾% 84/89	£88½	+¼
Fin. 13% 97/02	£93½	+½
Alliance Gas	70	.....
Arnott	235	.....
CPI Hldgs	85	+1
Carrol Inds.	120	+2
Hall (R. & H.)	60	.....
Helton Hldgs	19	.....
Irish Ropes	40	.....
Jacob (W.& R.)	63xd	.....
TMG	58	.....
Unidare	75	.....

OPTIONS — 3-month call rates

Stock	Rate
Industrials	
Allied-Lyons	15
BOC Grp	27
BSR	26
Babcock	17
Barclays Bank	45
Beecham	32
Blue Circle	40
Boots	16
Bowaters	25
Brit Aerospace	20
BAT	35
Brown (J.)	3
Burton Ord	22
Cadburys	11
Comm Union	16½
Courtaulds	11
Debenhams	14
Distillers	22
Dunlop	5
FNFC	6¼
Gen Accident	42
Gen Electric	16
Glaxo	170
Grand Met	30
GUS 'A'	55
Guardian	50
GKN	20
Hanson Tst	17½
Hawker Sidd	38
Hse of Fraser	26
ICI	42
'Imps'	12
ICL	7½
Ladbroke	23
Legal & Gen	45
Lex Service	40
Lloyds Bank	50
'Lofs'	3
Lucas Inds	18
'Mams'	24
Marks & Spcr	20
Midland Bk	36
NEI	10
Nat West Bk	60
P & O Dfd	25
Plessey	20
Racal Elect	18
RHM	8
Rank Org Ord	24
Reed Intnl	40
Sears	8
TI	22
Tesco	16
Thorn EMI	55
Trust Houses	18
Turner Newall	10
Unilever	75
Vickers	14
Woolworth Hldg	58
Property	
Brit Land	11
Cap Counties	16
Land Secs	25
MEPC	25
Peachey	17
Samuel Props	12
Sterling Guar.	4
Oils	
Brit. Oil & Min.	9
Brit Petroleum	35
Burmah Oil	17
Charterhall	9
Premier	6
Shell	55
Tricentrol	20
Ultramar	60
Mines	
Charter Cons	24
Cons Gold	58
Lonrho	12
Rio T Zinc	60

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 39

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

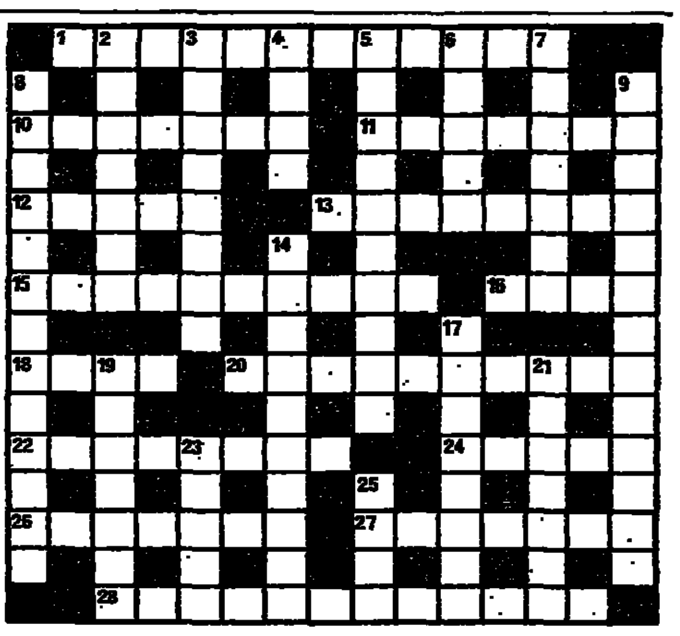
Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,408



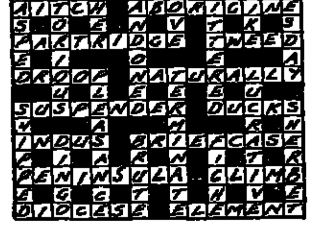
ACROSS

1 Winning craft in competition (12)
10 Lie of two churches (7)
11 Postage required by secret police (7)
12 Maps of mountains (5)
13 Heavenly oriental article, not fake (8)
15 Digital excrescence of Fenian girl (10)
16 Sticky way to talk? (4)
18 Behalf of liquor? (4)
20 Venerable sort of card with an echo? (10)
22 Peaks of pines, maybe, for actor and spinners (4-4)
24 Gamble on the unfinished line (5)
26 Keen type, brilliant performer with a bad name outside? (7)
27 Quick-tempered row gets one through at once (3, 4)
28 Prepare to make a hole in the road? Whichever you like (4, 4, 4)

DOWN

2 Meat up-river attacked by rats (7)
3 One in church? Yes, or in government (8)
4 Antelope to live in nine (4)
5 Moon for nursery rhyme? (5-5)
6 Pure when topless? Don't delay! (5)
7 Paul's upset about a meal on the level (7)
8 "The awful crime of being bright at ———" (Harry Graham) (9-4)
9 New or old, doctor? New—could be very famous (5-8)
14 Pinter composed without concentration and without fear (10)
17 After this don't go on? (4, 4)
19 Israeli assembly in darkness, etc. (7)
21 Vehicle Diana and Bill take to heart? (7)
23 Nail about right, of course (5)
25 Solver, evidently not the most holy (4)

Solution to Puzzle No. 5,407



هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Ass.—Cont.

Income Accum.	139.0	146.4	+0.7	—
Do. Initial	132.8	139.8	+0.7	—
Universal Tec. Acc.	94.8	99.8	+0.5	—
Do. Initial	93.2	98.2	+0.5	—
Man. Pens. Accum.	275.0	289.5	.....	—
Do. Initial	213.0	224.8	.....	—
Gilt Edg.Pens. Accum.	220.9	232.6	.....	—
Do. Initial	172.1	181.2	.....	—
Money Pens. Accum.	196.3	206.7	.....	—
Do. Initial	155.2	163.4	.....	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		262.11	+2.4	—
Managed Inv. Fd.	175.37	184.60	+1.45	—
Property Fd.	154.90	163.06	+0.95	—
Fixed-Interest Fd.	149.46	157.44	-1.66	—
Cash Fd.	139.26	146.59	+0.07	—
Income Fd.	202.57	213.24	+1.70	—
Extra Income Fd.	197.87	208.29	+0.36	—
Worldwide Growth Fd.	230.86	243.02	+2.33	—
Balanced Fd.	204.85	215.63	+3.05	—
Smlr Co's & Recv. Fd	231.01	243.17	+0.78	—
Int. Technology Fd.	257.33	272.09	-6.06	—
Nth. Amer. & Gen. Fd.	150.77	158.92	+4.87	—
Energy Int. Fd.	113.95	119.95	+2.38	—
Pacific Basin Fund	164.31	172.96	-0.53	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	122.8	129.3	.....	—
Property	127.5	134.2	.....	—
Equity	134.3	141.3	.....	—
International	136.2	143.4	.....	—
Fixed Interest	107.5	113.1	.....	—
Deposit	102.3	107.1	.....	—
Managed Pen. Cap.	122.6	129.1	.....	—
Property Pens. Cap.	129.4	136.2	.....	—
Equity Pens. Cap.	129.0	135.8	.....	—
Intnl. Pens. Cap.	140.9	148.3	.....	—
Fixed Int. Pens. Cap.	102.4	107.7	.....	—
Deposit Pens. Cap.	98.6	103.8	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1		103.6	.....	—
Retmt. Fed. April 6	296.3	+21.1	.....	—
Managed Pen Fund	198.2	208.7	.....	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	127.0	133.7	-0.7	—
GT Pln High Yld Fnd	140.4	147.8	+1.3	—
GT Plan Far East Fnd	140.1	147.5	+1.6	—
GT Plan N. Am Fd.	124.2	130.8	+1.6	—
GT Pln UK&G.E. Fnd	161.5	170.7	+0.9	—
GT Pln Wridwde Fnd.	156.6	164.9	+1.0	—
GT Pension Bnd Fnd.	138.8	146.2	-0.9	—
GT Pen High Yld Fd	163.1	171.7	+1.6	—
GT Pen Far East Fd	177.2	186.6	+2.2	—
GT Pen N. Am. Fd.	183.3	193.0	+3.2	—
GT Pen UK & G.E. Fd.	188.7	198.7	+1.0	—
GT Pen Worldwide Fd.	168.1	177.0	+1.2	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	173.6	182.8	.....	—

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		273.9	.....	—
Portfolio Fd. Init.		221.4	.....	—

Continued on adjacent Page

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd, B'mouth. 0202 767655

Managed Fd.	292.4	308.1	+4.2	—
Money Fd	159.4	167.8	+0.2	—
Equity Fd.	247.6	260.9	+2.5	—
Fixed Int. Fd	120.4	126.9	-0.6	—
Property Fd	177.4	186.9	.....	—
Managed Pen. Fd.	287.3	302.7	.....	—
Equity Pension Fd	280.2	294.1	.....	—
Fixed Int. Pen. Fd.	171.2	180.4	.....	—
High Yield Pen. Fd.	168.8	177.9	.....	—
Money Pension Fd.	133.5	140.5	.....	—
Property Pension Fd	132.9	140.0	.....	—
Gresham/Framlington				
American & Gen. Fd.	233.1	245.6	+2.0	—
Income Fd	223.2	235.2	+0.5	—
Int'l. Growth Fd	275.8	290.6	+2.0	—
Capital Fund	231.2	243.6	.....	—
Recovery Fund	170.8	180.0	+1.6	—
Japan & Gen Fd	106.3	112.0	+1.0	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

OFFSHORE AND OVERSEAS

Wardley Investment Services Ltd.
4th Floor, Hutchison House, Hong Kong

Wardley Trust	$5.69	6.09	.....	1.23
Wardley Nrdn As. Fd.	$26.34	27.95	.....	5.37
Wardley Bond Trust	$10.64	11.20	.....	8.30
Wardley Japan Trust	$33.09	35.09	.....	0.40
Wardley Priv Cap Tst	$9.96	10.49	.....	0.76

WestAvon Secs (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey. 0481 27963

Gilt & Option Fd	£1.19	1.24	.....	2.50
US $ Option	$0.86	0.91	.....	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd		$12.94	+0.30	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com Fund	22.1	23.0	.....	—
Chinese Fund	61.8	64.4	.....	—
Precious Metal Fund	138.1	143.7	.....	—
Vanguard Cmdy. Fd.	29.5	30.2	-2.2	—
Financial Futures Fd.	64.3	67.0	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ø Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Livestock problems blamed on cereals

By Richard Mooney

THE CURRENT problems of Britain's intensive livestock sector had their roots in an "unsupportable" 7½ per cent increase in EEC cereals support prices two years ago, the House of Commons agriculture select committee was told yesterday.

The committee is investigating the effect of feed grain prices on the UK pig and poultry sectors.

Mr R. W. Dean, deputy director general of the UK Agricultural Supply Trade Association (Ukasta), which represents the animal feed compounders, said the 1982 increase was "insupportable, given the market conditions prevailing at the time."

Ukasta favoured a simple cut in support prices rather than a tightening of quality requirements for intervention purchases and export subsidies, Mr Dean said.

The latter policy might not be imposed as stringently on the Continent as in the UK, he explained.

A reduction in EEC grain prices to world levels would reduce production costs by 2½ a pound for pork, 4p a dozen for eggs and by 9p for a 4½-lb broiler chicken, Mr Dean estimated.

He admitted there would be hardship for some EEC grain producers who relied on inflated support prices for their profitability.

"A large part of EEC cereal production is carried out under conditions which would not be regarded as efficient in the UK, let alone the U.S." he declared.

The EEC's average wheat production cost of £80-£85 a tonne was very much higher than in the U.S., he said. But U.S. farmers used only a third of the amount of fertiliser used in the Community. It was only the excessive support prices that made such heavy use of fertilisers worthwhile in the EEC.

World wheat crop estimate increased

BY RICHARD MOONEY

THE INTERNATIONAL Wheat Council has raised its estimate of the 1984 wheat crop.

The council, which had already forecast a record crop of around 500m tonnes in its December report, now believes the outturn could be as high as 510m tons.

"Any forecast of the size of the next world wheat harvest at this early stage remains subject to assumptions about the area finally planted and, in particular, on the weather pattern during the remainder of this year," the IWC warns in its latest market report published yesterday.

But, "on the basis of information currently available," it suggests a crop of 500m—510m tons is likely, compared with 494m tons in 1983.

On the limited data available the world wheat area is projected to rise about 3 per cent to 235m hectares.

Higher sowings are expected in the EEC, most eastern European countries, the USSR, the U.S., China and India.

Reduced plantings are forecast for Spain, Yugoslavia and Canada, however.

Sharply higher output of coarse grains is forecast following the heavy decline in world stocks, projected by the IWC at 47 per cent, in the 1983-84 season.

U.S. plantings of maize and sorghum are forecast to rise by about one-third and one-quarter respectively. The area devoted to barley in Canada is likely to rise 9 per cent, and in the Soviet Union the maize plantings target has been raised from 5.2m to 5.7m hectares.

In the EEC, barley production is expected to rise to 41m tons, from 36.4m, and maize output is also likely to increase, the IWC report says.

Base metals unsettled

BY JOHN EDWARDS

CUTS IN U.S. domestic selling prices of lead and zinc, by Asarco, unsettled the London base metal markets yesterday. Copper lost ground following further speculative selling pressure.

Asarco cut its lead selling price by 1 cent to 25 cents a lb, and zinc by 1 cent to 52 cents. This was interpreted as confirmation that demand for metals generally in the U.S. is not maintaining the upward momentum that boosted markets earlier in the year.

The reduction in the lead price is surprising since it comes at a time when stocks are falling and there are supply disruptions throughout the world, with disputes hitting lead production in Australia, Canada and the U.S.

Preussag, the West German metals group, repeated the statement made by its Canadian subsidiary that force majeure had not been declared on shipments of refined lead ingots from its Quebec refinery.

It said that a claim by Minemet of New York that delieveries had been halted because of workers being locked out was incorrect.

Three months lead lost £3.25 to £336.25 a tonne, and three months zinc £2.75 to £674.5 a tonne. Three months high grade copper was £15.75 down at £1,046.25 a tonne, and three months aluminium £10 to £959.25.

Nickel, however, moved up *strongly following reports that* workers at the Falconbridge Mines in Canada may reject new labour contracts negotiated *by their union representatives.*

Jamaica lowers bauxite levy rate

By Canute James in Kingston

THE JAMAICAN Government and the four North American companies operating in the island have reached agreement on a new bauxite production levy.

The levy rate has been lowered, being indexed at 6 per cent—the average realised price for primary aluminium reported to the U.S. Securities and Exchange Commission by Alcoa, Reynolds, Kaiser and Alcan.

The levy was originally pegged at 7.5 per cent, the average price of aluminium ingot on the American metals market, and reduced to 6.5 per cent in 1979.

Jamaica is the world's third largest bauxite producer.

● THE INDIAN Government is giving unenthusiastic consideration to a proposal from the Indian Jute Mills Association that because of critical shortages of raw jute the industry should be allowed to cut production by 10 per cent. As an alternative it is *urging immediate import of at* least half a million bales of raw jute from Bangladesh and other sources.

● CHINA re-entered the Malaysian rubber market yesterday for the first time since mid March, buying between 1,000-2,000 tonnes of rubber.

● INDIA'S Minerals and Metals Trading Corporation has been authorised to import 15,000 tonnes of aluminium in the first quarter of 1984-85. The imports will be the first for two years.

● STOCKS of tin in concentrates in most major tin producing countries rose sharply in 1983, says the International Tin Council.

● POULTRY and egg imports *to Britain have trebled in the* last year as Common Market competitors send in "massively subsidised" products, claims the British Poultry Federation.

Improved prospects cheer up pig farmers

Farmer's viewpoint: By John Cherrington

PIG FARMERS with short memories are smiling now. The average price for all deadweight pigs has gone up by about 20 per cent, mostly since the turn of the year and profitability has returned. But those smiling are mainly those able to write off last year's losses against other sectors of their business—one of the benefits of a mixed farming economy.

Pigs have always been subject to these cycles but this last one was particularly nasty. The low prices were partly due to increasing production and also to very firm grain and protein prices which aggravated feed costs.

Before we joined the EEC pig and poultry slumps reacted on grain prices by forcing them down. The EEC sees to it that grain prices are protected by export subsidies or intervention buying regardless of demand.

The turnround was a direct consequence of reduced supplies. By the end of March quarter the total slaughter of pigs apart from sows and boars was down by 3.5 per cent on 1983. In March slaughterings fell further to 7 per cent of last year's March total. This stems from last year's reduction in the breeding herd.

Another factor is a 6 per cent reduction of sheep slaughtered in the first quarter of 1984 and reduced New Zealand lamb supplies. The price of UK lamb has been very much higher than at the same time last year. Compared with beef at 81p a pound and English lamb at £1.22 or even New Zealand lamb at 66p per pound, pork at just under 60p looks a good buy.

But how long will pig farmers be able to smile? There is no real evidence of a rebuilding of the breeding herd. It is believed that sows are still being sold as farmers or their creditors cash in on the present high prices.

The UK market has also benefited from protection from imports from Holland and Belgium because of disease restrictions. If these restrictions were removed we should undoubtedly suffer as do the French.

A feature of the recent slump was the very low prices for weaner pigs for future fattening. These are now a very strong trade, showing price increases of about 50 per cent over last year.

Pig farming is partly divided into breeding and fattening herds and fatteners, who had probably survived better than breeders during the slump, are desperate for supplies.

Some fatteners were also beneficiaries of the EEC's milk surplus which provided heavily subsidised skimmed milk through much of last year and this year. Skimmed milk is a first class pig food at the subsidised price.

It is also possible that some dairy farmers aim to avoid penalties of exceeding quotas by feeding their surplus milk to pigs.

The Meat and Livestock Commission expects reasonable prices for at least a year but it would take at least that time for any increase in the breeding herd to affect the market. Although there could be some rebuilding of the herd it is difficult to see any justification for investment in new buildings and equipment.

But we are now part of the EEC and the historic pig cycle which always affected individual countries now embraces the whole Community.

Previously, each country could protect its farmers against imports by various means. At present, UK and Danish prices are the highest in the Community, in both cases because of strict health restrictions.

But just imagine what would happen if the Dutch and others overcame their health problems, and so opened the frontiers to a surge of surplus pigs washing from one end of the community to the other. It is a prospect which would deter all but the most foolhardy investors.

Summer start likely for EEC dairy 'superlevy'

BY JOHN WYLES IN BRUSSELS

MOST DAIRY farmers in the EEC will begin paying the "superlevy" on their excess milk production in July and August following the virtual completion of the scrutiny of draft regulations by member governments.

Italy, West Germany and the UK voted against the regulations as a whole at a meeting of dairy management committee officials in Brussels on Wednesday.

It has taken officials three long meetings to reach broad agreement with the European Commission on how the superlevy system should be applied.

Agreed as part of a broadly based farm prices and reform package adopted by Agriculture Ministers at the end of March, *the arrangement aims to cut* milk production by 7 per cent this year by applying a punitive tax on output above a global total of 99.5m tonnes.

Officials believe that the controversy which surrounds the agreement will be as nothing compared to disputes about its application. This could necessitate a rolling programme of amendments to the regulations in the light of experience.

The commission is expected to formally promulgate the regulations around the middle of the month so as to end a period of profound uncertainty for dairy farmers. Many of the final details could not be obtained yesterday when the commission was only beginning to assemble a final text in the wake of its consultations with the management committee.

However, all governments except Italy and Greece are expected to have their administrative arrangements in place by mid-summer and to begin collecting levy payments in late July and August.

Richard Mooney writes: In London the Milk Marketing Board confirmed that the committee had agreed UK levy that *payments to the EEC for the* first two quarters of the marketing year—April/May and June/September—would be lumped together and that a further 45 days period of grace had been granted.

This means that Britain has until mid-November to make its initial levy paymen under the quota syste, though individual farmers will obviously be affected before this.

Meanwhile, the Ministry of Agriculture said deliberations on making allowances for special cases will continue at a meeting of the committee next Wednesday.

The committee has agreed that *allowance should be made in* calculating farm quotas for temporary loss of forage area during the reference period and for farms whose production had been hit by the illness of their managers during that period.

Allowances for other setbacks, such as sickness in the herd itself, remain to be considered.

The committee is also understood to have accepted that farmers should not be penalised *for a rise in butterfat content* would tend to rise where yields had been deliberately reduced by cutting concentrate feed rations.

PRICE CHANGES

In tonnes unless stated otherwise	May 3 1984	+ or —	Month ago
Metals			
Aluminium	£1100	......	£1100
Free Mkt	$1550/1580	......	$1440/470
Copper			
Cash h Grade	£1029.5	—16.5	£1080
3 mths	£1046.25	—15.75	£1095.5
Cash Cathode	£1028	—16.25	£1077.5
3 mths	£1039	—16	£1090
Gold troy oz.	$379.25	+1.50	$380.5
Lead Cash	£330.25	—3.25	£339.5
3 mths	£336.25	—3.25	£342.62
Nickel	£4988	......	£4836
Free Mkt	212/232c	......	216/256c
Palladium oz.	$158.25	+0.75	$159.25
Platinum oz.	$388.0	+0.5	£270.65
Quick silver†	$310/315	......	$310/320
Silver troy oz.	645.40p	+4.70	652.50p
3 mths	658.90p	+4.65	666.40p
Tin cash	£9027.5	—20	£8645
3 months	£9015	—0.5	£8690.5
Tungsten	$85.51	......	$77.75
Wolfram 22.04lb	$85/89	......	$84.88
Zinc	£679	+1.5	£701
3mths	£674.5	—2.75	£700.75
Producers	$1060/1090	......	$1050/1090

	May 3 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1225y	—5	$1125
Groundnut	‡	......	‡
Linseed Crude	‡	......	‡
Palm Malayan	$865z	+5	‡
Seeds			
Copra Phil	$740x	......	$735
Soyabean (U.S.)	$328	......	$329
Grains			
Barley Fut. Sep.	£105.90	—0.20	£106.65
Maize	£147.50	......	£147.50
Wheat Fut. Jly.	£126.20	+0.80	£130.45
No2 Hard Wint.	‡	......	‡
Other commodities			
Cocoa ship't*	£2029.5	+7.5	£1807
Futures Jly	£1954.5	+2.5	£1752
Coffee Ft. Jly	£2137.5	+23	£2014.5
Cotton A Index.	89.35c	......	89.15c
Gas Oil June	$239.25	—0.25	$245
Rubber (kilo)	72p	......	77p
Sugar (raw)	£109w	—4.0	£112.5
Woolt'ps 64s	473p kilo	......	468p kilo

‡ Unquoted. z June. y April-May. w May-June. x June-July. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

The market opened slightly weakly and continued to slip during the morning. Little impetus was given by softer physical prices. New York was stronger during the afternoon and helped to firm prices towards the close, reports Premier Man.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.25-28.35	—
Iranian Light	27.50-27.75	—0.03
Arab Heavy	26.80-26.95	—
North Sea (Forties)	29.35-29.40	—0.28
North Sea (Brent)	29.45-29.60	—0.08
African (Bonny Li'ht)	29.70-29.95	—0.10

PRODUCTS—North West Europe ($ per tonne)

Premium gasoline	268-271	—
Gas Oil	239-243	—1
Heavy fuel oil	184-187	—

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
May	238.75	—0.50	239.05-37.75
June	239.00	—0.50	239.25-37.75
July	240.25	—	240.25-38.00
Aug.	243.00	+0.50	243.00-41.50
Sept.	245.50	—	245.50-44.05
Oct.	246.25	—1.75	246.25-45.00
Nov.	248.00	—	247.00-46.00
Dec.	251.75	—1.75	—
Jan.	254.00	+3.50	—

Turnover: 1,731 (853) lots of 100 tonnes.

GOLD MARKETS

Gold rose $1½ an ounce from Wednesday's close in the London bullion market yesterday to finish at $379-379½. The metal opened at $379-379½ and traded between a low of $377½-378 and a high of $380-380½.

In Paris the 12½ kilo bar was fixed at FFr 101,650 per kilo ($377.80 per ounce) in the afternoon compared with FFr 101,650 ($378.72) in the morning and FFr 101,550 ($376.83) on Wednesday afternoon.

In Frankfurt the 12½ kilo bar *was fixed at DM 33,175 per kilo* ($379.02 per ounce) against DM 33,000 ($376.01) and closed at $378¼-378¾ from $377¼-377¾.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $377.25, unchanged from Wednesday.

In Zurich gold finished at $378¼-378¾ from $377¼-377¾.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
May	—	—	378.00-78.00
June	381.50-81.50	+0.25	383.40-80.60
Aug	387.90-88.50	+0.70	381.70-87.90
Oct	394.60-95.00	+0.55	—
Dec	401.80-02.30	+0.20	—
Feb.	409.70-10.50	+0.85	—

Turnover: 593 (402) lots of 100 troy ounces.

	May 3		May 2	
Gold Bullion (fine ounce)				
Close	$379-379½	(£269¼-269¾)	$377½-378	(£270-270½)
Opening	$379-379½	(£269½-270)	$377-377½	(£270-270½)
Morning fixing	$378.30	(£269.483)	$377.35	(£269.825)
Afternoon fixing	$378.50	(£269.453)	$377.35	(£269.690)

Gold and Platinum Coins May 3

Krugrnd	$390¼-391	(£277¾-278¼)	King Sov	$91½-93	(£65-66)
½ Krug.	$205-206	(£146-146¾)	Victoria Sov	$91½-93	(£65-66)
¼ Krug.	$100-101	(£71¼-71¾)	French 20s	$73-74¼	(£52-53¼)
1/10 Krug.	$41½-42½	(£29½-30¼)	50 Pesos Mex	$467-469	(£332½-333¾)
Mapleleaf	$390-390¾	(£277½-278¼)	100 Cor. Aust	$369-372	(£263¾-264¾)
New Sov.	$89-89¾	(£63¼-63¾)	$20 Eagles	$620-630	(£441¼-448½)
½ New Sov.	$53½-54¼	(£38-38½)	Noble (Plat.)	$400½-404¾	(£285¼-288¼)

EUROPEAN MARKETS

ROTTERDAM, May 3.

Wheat—(U.S. $ per tonne). U.S. Two Soft Red Winter, June 10/July 10 151.25, Aug 151.25, Sept 152. U.S. Two Northern Spring 14 per cent protein, May 184, June 181, July 180, Aug 178, Sept 177, Oct 177, Nov 179. U.S. Three Hard Amber Durum, May 184.75, June 186, July 184.25, Aug 184, Sept 182, Oct 184, Nov 186. Canadian One Western Amber Durum, May 196.50, June 202, Nov 199 unchanged.

Maize (U.S. $ per tonne). U.S. Three Yellow, May 159.50, June 160.50, July/Sept 159.50, Oct/Dec 142, sellers. Argentine Plate, afloat 160, May 160, June 161, sellers.

Soyabeans (U.S. $ per tonne). U.S. Two Yellow Gulfports, May 322, June 322.75, July 323.50, Aug 323, Sept 307, Oct 282.25, Nov 282, Dec 284.75, Jan 288.75, Feb 293 up, sellers.

Soyameal (U.S. $ per tonne). Rotterdam 44 per cent, afloat 218, May 220, June 222, May/Sept 222, Oct 225, Nov/Mar 225, sellers. Pellets Brazil afloat 225, April 228, May 221, June 223, May/Sept 226, sellers. Pellets Argentine, afloat 221, May 220, mid-May/mid-June 221.50, June 223, May/Sept 223, sellers.

PARIS, May 4.

Sugar—(FFr per tonne). Aug 1430/1435; Oct 1526/1529; Dec 1626/1635; Mar 1785/1790; May 1860/1875; Aug 1945/1965.

Cocoa—(FFr per 100 kg). May 2222/2225; July 2235 bid; Sept 2333/2336; Dec 2235/2242; Mar 2255 ask; May 2265 ask; July 2275 ask.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were generally easier on the London Metal Exchange. Copper fell to £1,046 in the morning, *depressed by speculative selling*, but later rallied to close the late Kerb at £1,051. Producer price cuts announced by America's Asarco prompted nervous reactions in Lead and Zinc which *closed at £338 and £673.5 respectively.* Currency considerations unsettled Tin, which despite buffer stock support, eased to £9,002.5. Nickel rose strongly in response to persistent short covering and chartist buying which left forward material at £3,577 at the close.

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,030.50, three months £1,050, 49, 48.50, 49, 50, 49.50, 49, 48, 47.50, 47. Cathodes: Cash £1,028, three months £1,039. Kerb: Higher Grade: Three months £1,047, 48, 47, 47.50. *Afternoon: Higher Grade: Three months* £1,047, 48, 47.50, 47, 46.50, 46, 46.50, 47, 46.50. Kerb: Higher Grade: Three months £1,047, 48, 48.50, 49, 50, 51, 50.50. Turnover: 23,875 tonnes. U.S. *Producers: 71.00-74.00 cents a pound.*

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1029.5-30	—17	1029-30	—16.5
3 months	1046.5-7	—16.5	1046-5	—15.7
Settlem't	1030	—17	—	—
Cathodes:				
Cash	1027-8	—17.7	1027-29	—18.2
3 months	1038-9	—16.5	1036-40	—16
Settlem't	1028	—17.5	—	—

TIN

Tin—Morning: Standard: Three months £9,005, 6, 10, 16, 15, 16. Kerb: Standard: Three months £9,016. Afternoon: Standard: Three months £9,016, 18, 16, 15, 10, 5, 15, 10, 11, 15. High Grade: Three months £9,065, 45, 35. Kerb: Standard: Three months £9,010, 5, 1. High Grade: Three months £9,045. Turnover: 4,175 tonnes.

LEAD

Lead—Morning: Cash £332, 31, three months £337, 36.50, 37, 37.50, 37.25. Kerb: Three months £337.50, 338. Afternoon: Three months £337, 36, 35, 34.50, 34, 34.50, 35, 36. Kerb: Three months £336, 37, 36, 35, 36. Turnover: 28,575 tonnes. U.S. Spot: 26.00-28.00 cents a pound.

ZINC

Zinc—Morning: Three months £674, 73, 72, 73, 74, 73.50, 73. Kerb: Three months £673, 72, 73. Afternoon: Three months £671, 70.50, 70, 68, 69, 69.50, 70, 72, 73, 73.50, 74. Kerb: Three months £672, 73, 74, 74.50, 74, 73, 74. Turnover: 24,875 tonnes. U.S. Prime Western: 53.00-53.75 cents a pound.

ALUMINIUM

Aluminium—Morning: Cash £935.50, three months £960, 59, 58, 57, 56, 59, 60, 59, 58.50, 57. Kerb: Three months £958, 57, 58. Afternoon: Three months £959, 58.50, 59, 59.50, 59. Kerb: Three months £960, 59, 60, 61, 62, 63, 64. Turnover: 23,575 tonnes.

NICKEL

Nickel — Morning: Three months £3,540, 45, 40, 35, 40, 42, 45, 40, 42, 44, 45, 48. Kerb: Three months £3,545, 48. Afternoon: Three months £3,545, 47, 49, 50, 55, 50, 60, 62, 60, 65, 62. Kerb: Three months £3,560, 70, 75, 80, 76, 75, 77. Turnover: 1,464 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3465-75	+43.5	3485-90	+32.5
3 months	3545-50	+50	3562-5	+51

SILVER

LME—Silver (2,000 oz contract): Cash 646.0p (643.5p); three months 650.0p (657.75p). Turnover 0 (same).

Turnover: 57 (250) lots of 10,000 ozs. Morning: Large three months 659.0. Kerb: Untraded. Afternoon: Large three months 662.0. Kerb: Large three months 662.5, 62.0.

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffial	+ or —
Spot	645.40p	+4.70	646.0p	+2.5
3 months	658.90p	+4.65	650.0p	—7.75
6 months	673.95p	+4.40	—	......
12 months	703.90p	+4.35	—	......

Silver was fixed 4.7p an ounce higher for spot delivery in the London bullion market yesterday at 645.4p. U.S. equivalents of the fixing levels were: spot $9.052, up 9.2c; three-month $9.288, up 8.9c; three-month $9.547, up 8c; and 12-month $10.081, up 7.9c. The metal opened at 648-651p ($9.11-9.14) and closed at 647-650p ($9.10-9.13).

COCOA

Futures made the highs during the *early morning session, some £20* steadier than the previous close, but although then running into active profit taking rallied again to end the day on a firm note, reports Gill and Duffus.

COFFEE

GRAINS

WOOL FUTURES

PIGMEAT

MEAT/FISH

POTATOES

RUBBER

SOYABEAN MEAL

SUGAR

INDICES

FINANCIAL TIMES

May 2	May 1	M'th ago	Year ago
310.31	306.90	309.12	271.16

(Base: July 1 1952=100)

REUTERS

May 3	May 2	M'th ago	Year ago
1992.3	2000.8	2001.5	1773.3

(Base: September 18 1931=100)

MOODY'S

May 2	May 1	M'th ago	Year ago
1065.7	1067.1	1087.5	1044.1

(Base: December 31 1931=100)

DOW JONES

Dow Jones	May 2	May 1	Month ago	Year ago
Spot	140.78	139.19	143.19	141.49
Fut's	139.72	139.03	145.84	146.62

(Base: December 31 1974=100)

AMERICAN MARKETS

NEW YORK, May 3.

NEW YORK

CHICAGO

CURRENCIES; MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak but pound firm

The dollar fell sharply in late European trading, after showing a soft tone for most of the day. Dealers suggested the selling of the U.S. currency was largely technical, and did not relate to any particular factor apart from its inability to maintain a level of DM 2.72 against the D-mark. Industrial unrest in West Germany, and nervousness about a possible strike by engineering workers, put a temporary brake on the dollar's decline however, despite expectations last night's weekly M1 money supply announcement would show a fall of over $2bn.

The dollar fell to DM 2.7130 from DM 2.7290 against the D-mark; FFr 8.3275 from FFr 8.3775 against the French franc; SwFr 2.2460 from SwFr 2.2490 in terms of the Swiss franc; and from Y226.60 from Y227.10 against the Japanese yen.

On Bank of England figures the dollar's trade-weighted index fell to 129.8 from 130.1.

STERLING — Trading range against the dollar in 1984 is 1.4940 to 1.3955. April average 1.4226. Trade-weighted index 80.1 throughout, compared with 80.0 on Wednesday, and 83.7 six months ago.

Dealers suspected the Bank of England intervened to stem sterling's sharp late rise on the foreign exchanges, particularly against the D-mark and other members of the European Monetary System. The pound was steady to firm for the most part, but received a late boost as the dollar suddenly weakened. Sterling often moves in line with the dollar against Continental currencies, but on this occasion may have been regarded as something of a refuge, with several currencies such as the D-mark out of favour at present. An upward trend in London money market interest rates, and speculation of a possible rise in clearing bank base rates may have also contributed to the demand for the pound. It opened at $1.4030-1.4040, and traded within a range of $1.4005-1.4120, before closing at $1.4095-1.4105, a rise of 1.15 cents on the day.

In New York shortly after the London close sterling touched $1.42, reflecting the further weakening of the dollar.

At the London close the pound had improved to DM 3.8275 from DM 3.82; FFr 11.74 from FFr 11.7150; Y319.75 from Y317.75; and SwFr 3.17 from SwFr 3.1475.

D-MARK — Trading range against the dollar in 1984 is 2.8425 to 2.5535. April average 2.6435. Trade-weighted index 123.2 against 126.1 six months ago.

The dollar was fixed at DM 2.7254 against the D-mark at yesterday's fixing in Frankfurt. This was slightly down from Wednesday's level of DM 2.7296 but up sharply from an opening quotation of DM 2.7140. There was no intervention by the Bundesbank at the fixing. The dollar's lower opening reflected a degree of technical adjustment after its recent steady rise but with sellers absent from the market, the dollar soon attracted further buying interest.

Fears of higher U.S. interest rates underpinned the dollar while the D-mark remained weak on fears of industrial disruption by German industrial workers. Elsewhere the Swiss franc slipped to DM 1.2117 from DM 1.2153 while sterling improved to DM 3.823 from DM 3.815.

FRENCH FRANC — Trading range against the dollar in 1984 is 8.6850 to 7.99. April average 8.1285. Trade-weighted index 66.2 against 67.3 six months ago.

The dollar eased against the French franc at yesterday's fixing in Paris to FFr 8.3685 from FFr 8.3817½, while sterling improved to FFr 11.73 from FFr 11.7180. The Swiss franc was easier at FFr 3.7150 compared with FFr 3.7283. Within the EMS the D-mark was slightly lower at FFr 3.0678 from FFr 3.0688 and the Belgian franc weakened at FFr 15.0670 from FFr 15.0710 per BFr 100. This was still well above its lower cross rate limit of FFr 14.97 per BFr 100. The Dutch guilder was also lower at FFr 2.7246 from FFr 2.7249 as was the Italian lira at FFr 4.9620 per L1,000 from FFr 4.9660.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 3	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.6506	+1.67	+1.62	±1.5447
Danish Krone ...	8.14104	8.19915	+0.71	+0.66	±1.6425
German D-Mark	2.24184	2.24050	−0.06	−0.11	±1.0642
French Franc ...	6.87456	6.87606	+0.02	−0.03	±1.4052
Dutch Guilder ...	2.52595	2.52247	−0.14	−0.19	±1.4964
Irish Punt	0.72569	0.730714	+0.69	+0.64	±1.6699
Italian Lira	1403.49	1386.39	−1.22	−1.22	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York (latest)

	May 3	Prev. close
Spot	$1.4200-4215	$1.4025-40
1 month	0.23-0.25 dis	0.26-0.28 dis
3 months	0.65-0.69 dis	0.75-0.78 dis
12 months	2.90-3.00 dis	3.12-3.17 dis

£ forward rates are quoted in U.S. cents discount.

THE DOLLAR SPOT AND FORWARD

May 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4005-1.4120	1.4095-1.4105	0.22-0.27c dis	−2.08	0.65-0.70dis	−1.91
Ireland†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc [illegible].

THE POUND SPOT AND FORWARD

May 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4005-1.4120	1.4095-1.4105	0.22-0.27c dis	−2.08	0.65-0.70dis	−1.91
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc [illegible]. Six-month forward dollar [illegible]. 12-month [illegible].
* The rate for May 2 should have read [illegible].

OTHER CURRENCIES

May 3	£	$		Note Rates
Argentina Peso	[illegible]	[illegible]	Austria	[illegible]
Australia Dollar	[illegible]	[illegible]	Belgium	[illegible]
Brazil Cruzeiro	[illegible]	[illegible]	Denmark	[illegible]
Finland Markka	[illegible]	[illegible]	France	[illegible]
Greek Drachma	[illegible]	[illegible]	Germany	[illegible]
Hong Kong Dollar	[illegible]	[illegible]	Italy	[illegible]
Iran Rial	[illegible]	[illegible]	Japan	[illegible]
Kuwait Dinar (KD)	[illegible]	[illegible]	Netherlands	[illegible]
Luxembourg Fr.	[illegible]	[illegible]	Norway	[illegible]
Malaysia Dollar	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dlr.	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden	[illegible]
Singapore Dollar	[illegible]	[illegible]	Switzerland	[illegible]
Sth African Rand	[illegible]	[illegible]	United States	[illegible]
U.A.E. Dirham	[illegible]	[illegible]	Yugoslavia	[illegible]

* Selling rate.

CURRENCY MOVEMENTS

May 3	Bank of England Index	Morgan Guaranty Changes %
Sterling	[illegible]	[illegible]
U.S. dollar	[illegible]	[illegible]
Canadian dollar	[illegible]	[illegible]
Austrian schilling	[illegible]	[illegible]
Belgian franc	[illegible]	[illegible]
Danish kroner	[illegible]	[illegible]
Deutsche mark	[illegible]	[illegible]
Swiss franc	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
French franc	[illegible]	[illegible]
Lira	[illegible]	[illegible]
Yen	[illegible]	[illegible]

Morgan Guaranty changes: average 1980-82=100. Bank of England index (base average 1975=100).

CURRENCY RATES

May 3	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	[illegible]	[illegible]	[illegible]
U.S. $	[illegible]	[illegible]	[illegible]
Canadian $	[illegible]	[illegible]	[illegible]
Austria Sch.	[illegible]	[illegible]	[illegible]
Belgian Fr.	[illegible]	[illegible]	[illegible]
Danish Kr.	[illegible]	[illegible]	[illegible]
D mark	[illegible]	[illegible]	[illegible]
Guilder	[illegible]	[illegible]	[illegible]
French Fr.	[illegible]	[illegible]	[illegible]
Lira	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]
Norwgn Kr.	[illegible]	[illegible]	[illegible]
Spanish Pts.	[illegible]	[illegible]	[illegible]
Swedish Kr.	[illegible]	[illegible]	[illegible]
Swiss Fr.	[illegible]	[illegible]	[illegible]
Greek Dr'ch	[illegible]	[illegible]	[illegible]

*CS/SDR rate for May 2: 1.35320.

EXCHANGE CROSS RATES

May 3	Pound Sterling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.410	3.828	319.8	11.74	3.170	4.310	2370.	1.817	76.10
U.S. Dollar	0.709	1.	2.713	226.6	8.329	2.246	3.055	1681.	1.289	53.59
Deutschemark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japanese Yen 1,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc 10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swiss Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dutch Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira 1,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canadian Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgian Franc 100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EURO-CURRENCY INTEREST RATES (Market closing rates)

May 3	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	9⅛-9⅞	11⅛-11⅞	11⅛-11⅝	6-6⅛	3⅞-4⅛	5⅞-5⅞	13⅝-15⅝	16¼-16⅝	11¾-12¼	11½-11¾	6¼-6⅜	11-11½
One year	9¾-9⅞	11⅞-12⅛	11⅞-11⅞	6⅛-6⅜	4⅛-4⅞	6⅛-6¼	14-14¼	16⅞-17⅜	12-12½	11½-11¾	6⅛-6⅞	11½-12

Asian $ (closing rates in Singapore): Short-term 10[illegible]-10[illegible] per cent; seven days 10⅝-10⅞ per cent; one month 10⅝-10⅞ per cent; three months 11-11¼ per cent; six months 11[illegible]-11[illegible] per cent; one year 11⅞-12 per cent. Long-term Eurodollars two years 12½-12⅝ per cent; three years 12⅞-13⅛ per cent; four years 13-13¼ per cent; five years 13⅛-13⅜ per cent nominal closing rates. Short-term rates are call for U.S. banks and Japanese yen; two days' notice.

MONEY MARKETS

Pressure on base rates

Short-term interest rates were firmer on the London money market yesterday as nervousness increased about a possible rise in clearing bank base rates. Discount houses adjusted their buying rates for eligible paper to well above Bank of England intervention levels, but the authorities maintained the current structure of rates when supplying assistance to the market.

Buying rates for three-month eligible bank bills rose to 8$\frac{13}{16}$-8⅞ per cent from 8$\frac{7}{16}$ per cent, and for three-month Treasury bills to 8⅝-8¾ per cent from 8$\frac{7}{16}$ per cent. Longer term paper was also firm, with the buying rate for six-month bank bills touching 9 per cent, against 8$\frac{13}{16}$ per cent. On the interbank market three-month funds finished at 9⅛ per cent, after trading at a mid-range of 9$\frac{1}{16}$ per cent, compared with 8 61/64 per cent.

UK clearing banks' base lending rate 8¼-8½ per cent (since March 15 and 16)

Dealers suggested that market nerves centred on a possible upward move in Barclays Bank's base rate on its recently introduced market related formula. On the other hand it was suggested that any move was unlikely before publication of the provisional money supply figures next Tuesday.

The Bank of England forecast a market shortage of £150m, but revised this to £250m at noon, and in the afternoon to £300m. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills from last Friday's tender drained £181m. A rise in the note circulation absorbed £25m, and bank balances below target another £55m. These were partly offset by Exchequer transactions adding £130m to liquidity.

Total help provided by the authorities was £281m, all through outright purchases of bills. Before lunch the Bank of England bought £188m bills by way of £15m bank bills in band 1 (up to 14 days maturity) at 8$\frac{7}{16}$ per cent; £85m bank bills in band 2 (15-33 days) at 8½ per cent; £55m bank bills in band 3 (34-63 days) at 8$\frac{7}{16}$ per cent; £17m Treasury bills in band 4 (64-91 days) at 8⅜ per cent; and £16m local authority bills in band 4 at 8⅜ per cent.

In the afternoon the authorities purchased £93m bank bills in band 4 at 8⅜ per cent.

MONEY RATES

May 3	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	11⅞	1⅛-2⅛	5¼-5½	5.65625	16⅞-17¼	11.50	11⅞-12⅛
One month	5.70-5.80	12⅛-12¼	3¼-3⅝	5$\frac{7}{16}$-5$\frac{9}{16}$	6.09375	16¾-17⅛	11½-11¾	12⅜-12⅝
Two months	5.70-5.80	12$\frac{1}{16}$-12$\frac{3}{16}$	—	—	—	—	—	12⅛-12¾
Three months	5.75-5.90	12¼-12⅝	3$\frac{7}{16}$-3$\frac{9}{16}$	5⅞-6	6.21875	17⅛-17½	11½-11¾	12⅝-12⅞
Six months	5.85-6.00	12⅜-12½	—	6-6⅛	—	—	11½-11¾	12¾-13
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

May 3 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	6-8½	8¼-8⅜	7¾-8½	5-8½	—	—	—	—	—
2 days notice	—	—	8½-8⅝	—	—	—	—	—	—	—
7 days or 7 day notice	—	8⅝-8$\frac{11}{16}$	8⅝	8⅝	8⅜	—	—	—	—	—
One month	8$\frac{13}{16}$-8$\frac{11}{16}$	8$\frac{9}{16}$-8¾	8⅝	8⅞	8½	8$\frac{7}{16}$-8¾	8½	8⅝-8$\frac{11}{16}$	8½-8$\frac{9}{16}$	9$\frac{1}{16}$
Two months	9$\frac{1}{16}$-8$\frac{15}{16}$	8⅞-9$\frac{1}{16}$	8⅞	9⅛	8½-8⅝	8¾	8½-8$\frac{9}{16}$	8¾	8½-8⅝	9⅜
Three months	9⅛-9	8$\frac{15}{16}$-9$\frac{1}{16}$	9$\frac{1}{16}$	9⅜	8½-8¾	8⅝-8⅞	8⅝-8⅝	8⅞-8⅞	8⅝-8$\frac{13}{16}$	9⅛
Six months	9⅜-9¼	9¼-9½	9¼	—	—	—	—	8$\frac{15}{16}$-9	8$\frac{13}{16}$-8⅞	9$\frac{13}{16}$
Nine months	9⅜-9$\frac{13}{16}$	9½-9⅝	9$\frac{7}{16}$	—	—	—	—	—	—	—
One year	9½-9$\frac{7}{16}$	9⅝-9⅞	9⅝	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9¼-9⅛	—	8¾	10.55-10.65	9-9¼	8$\frac{13}{16}$-9
Two months	9⅜-9¼	—	9	10.65-10.75	9$\frac{1}{16}$-9$\frac{5}{16}$	9-9$\frac{3}{16}$
Three months	9⅛-9¼	—	9$\frac{1}{16}$	10.75-10.85	9¼-9½	9$\frac{1}{16}$-9¼
Six months	9½-9¼	—	8⅞	11.1-11.2	9⅜-9⅝	9⅛-9$\frac{5}{16}$
Nine months	10-9¾	—	9⅜	11.3-11.5	—	—
One year	10-9¾	—	9¾	11.6-11.8	10-10¼	10-10$\frac{3}{16}$
Two years	—	10¼	—	—	—	—
Three years	—	10⅜	—	—	—	—
Four years	—	10¾	—	—	—	—
Five years	—	11	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV. Average Rate of interest period April 4 to May 1 1984 (inclusive): 8.934 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 9 per cent from May 1, 1984. London and Scottish Clearing Bank Rates for lending 8¼-8½ per cent. London Deposit Rate for sums at seven days' notice 5¾-5½ per cent. Treasury Bills: Average tender rates of discount 8.3629 per cent. Certificates of Tax Deposit (Series 6). Deposit of £100,000 and over held under one month 8½ per cent; one-three months 9 per cent; three-six months 9¼ per cent; six-nine months 9¼ per cent; nine-12 months 9¼ per cent. Under £100,000 8½ per cent from May 3. Deposits held under Series 4-5 9¼ per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. May 3)

3 months U.S. dollars	
bid 11	offer 11 1/8

6 months U.S. dollars	
bid 11 5/16	offer 11 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	12
Broker loan rate	11½
Fed funds	10$\frac{7}{16}$
Fed funds at intervention	—

Treasury Bills

One month	9.10
Two month	9.40
Three month	9.64
Six month	9.94
One year	10.12

Treasury Bonds

Two year	[illegible]
Three year	[illegible]
Four year	[illegible]
Five year	[illegible]
Seven year	[illegible]
10 year	[illegible]
30 year	[illegible]

FINANCIAL FUTURES

Stock index opens

Attention focused on the FT-SE 100 index contract on its first day of trading in the London International Financial Futures Exchange yesterday. After an initial flurry, normally associated with the start of a new contract, where some 200 lots were traded in the first ten minutes or so, values were marked down in rather confused trading. From an opening level of 114.65, which proved to be the day's high, the June contract fell to a low of 114.05 with most business seen in the 114-40-50 range. There was some reluctance to push back through the 114.55 level even though the cash index showed a strong recovery later in the day.

The June price closed at 114.20 with volume in all three delivery dates totalling an en- new contract tended to inhibit new contract tended to inhibit trading in other instruments to some extent and other trading pits were subject to a small exodus around 9.45 am as trading started in the new contract.

Gilt stocks tried to open higher but attracted little follow through and tended to drift for a while as the market reacted to increased speculation over the possibility of a rise in UK base rates. Such a move would only be an endorsement of an already firmer look in domestic cash rates. A firmer look to U.S. interest rates and distant rumblings over a sharp increase in private sector borrowing, possibly in next week's UK money supply figures, encouraged some selling. The mood changed after the Bank of England left its money market dealing rates unchanged, prompting some kind of rally. This soon met head on with some determined selling and values finished at the day's lows.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	88.81	88.86	88.81	88.79
Sept	88.26	88.32	88.26	88.26
Dec	87.86	87.91	87.86	87.86
March	87.51	87.54	87.51	87.50
June	87.21	87.21	87.20	87.18

Volume 2,614 (5,105)
Previous day's open int 15,636 (14,767)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March*	[illegible]	[illegible]	[illegible]	[illegible]
June*	[illegible]	[illegible]	[illegible]	[illegible]

Volume [illegible]
Previous day's open int [illegible]
*£500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

Volume [illegible]
Previous day's open int [illegible]
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) [illegible]

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

Volume [illegible]
Previous day's open int [illegible]

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

Volume [illegible]
Previous day's open int [illegible]

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

Volume [illegible]
Previous day's open int [illegible]

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

Volume [illegible]
Previous day's open int [illegible]

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
June	114.20	114.65	114.05	—
Sept	114.90	115.35	114.65	—
Dec	117.05	117.05	116.75	—

Volume 1,277

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

STERLING (IMM) Se per £

	Latest	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

COMPANY NOTICES

PUBLIC NOTICES

Clubs

Personal

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, May 2, 1984. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London. Eurodollar Libor as of May 2 at 11.00 am 3 months: 11⅛. 6 months: 11⅝.

ECU = $US0.82052. SDR = $US1.04581. Sibor as at May 2 at 11.00 am 3 months: 11⅛. 6 months: 11⅝.

COUNTRY	CURRENCY	VALUE OF DOLLAR
[illegible]	[illegible]	[illegible]

n.a. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (a) Freemarket central bank. (o) Official rate. (b) Freemarket interbank. (c) Commercial rate. (d) Freemarket. (e) Controlled. (f) Financial rate. (g) Preferential Rates. (h) Non essential imports. (i) Floating tourist rate. (1) Poland: Devalued 1st March by approx. 11.8%. (2) Madagascar: Official devaluation against Franc. March 21. (3) Dominican Republic: Floating Rate. (4) Finland: Markka revalued by 1 per cent. March 27. (5) Ghana: Official Cedi devaluation by approx. 1c per cent. March 28. (6) Bolivia: Official 75 per cent devaluation announced April 12. (7) Jamaica: Twice weekly auction—rate set by Central Bank. For further information please contact your local branch of the Bank of America.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for May 3.

U.S. DOLLAR STRAIGHTS; DEUTSCHE MARK STRAIGHTS; SWISS FRANC STRAIGHTS; YEN STRAIGHTS; OTHER STRAIGHTS; FLOATING RATE NOTES; CONVERTIBLE BONDS

[illegible]						

* No information available–previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn = current coupon. C. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

CAPITAL MARKETS

Swedish floater sets new U.S. record

BY MARY ANN SIEGHART IN LONDON

SWEDEN has nearly doubled the size of its Yankee floating rate note to $1.5bn and slightly tightened the terms. This issue is now twice the size of the previous record for U.S. FRNs.

The coupon will now be 0.40 per cent under the U.S. prime rate or 0.55 over the rate for three-month unadjusted certificates of deposit (CDs), whichever is lower. The indicated CD premium was 0.60 per cent, but the prime portion remains the same.

Demand for the notes was very strong and lead manager Salomon Brothers claims that the issue is now sold. Sweden will use the proceeds to prepay existing, more expensive debt.

Meanwhile, Credit Agricole, the French bank, is raising $100m through a seven-year bond paying a 13¼ per cent coupon at par. Chase Manhattan is leading the deal – its second in two weeks – with Paribas and the borrower itself. The bond, which involves a swap, is non-callable and traded at a 1⅞ per cent discount, outside the selling concession, but showing reasonable demand in yesterday's listless market.

The World Bank made its debut in the Luxembourg franc market yesterday with a LuxFr 1bn, five-year bond paying a 10½ per cent coupon. Lead manager Banque Internationale à Luxembourg will price the deal on Monday.

Secondary markets in dollars, D-Marks and Swiss francs were all very quiet yesterday with prices closing unchanged.

BHF Bank bond average

May 3		Previous
99.538		99.521
High	1984	Low
100.009		98.058

WEEKLY U.S. BOND YIELDS (%)

	May 2	April 25	1984 High	1984 Low
Composite Corp. AA	13.32	13.32	13.32	12.10
Government:				
Long-term	12.84	12.65	12.84	11.51
Intermediate	12.63	12.47	12.63	11.53
Short-term	11.88	11.74	11.88	10.70
Municipal	n.a.	9.98	9.94	9.45
Industrials AAA	12.79	12.83	12.83	11.79
Industrials AA	13.09	13.16	13.16	12.02
Utilities AA	13.56	13.48	13.56	12.32
Preferred Stocks	11.58	11.60	11.79	11.07

Source: Standard & Poor's

RMP RAND MINES PROPERTIES LIMITED

(Incorporated in the Republic of South Africa)

A Member of the Barlow Rand Group

INTERIM REPORT TO SHAREHOLDERS FOR THE HALF YEAR ENDED 31 MARCH 1984

The unaudited consolidated results of Rand Mines Properties Limited ('RMP') and its subsidiaries for the half year ended 31 March 1984 together with those for the comparable period last year and the audited results for the year ended 30 September 1983 are set out below:

Consolidated Profit

	Half year ended 31 March 1984 R000	Half year ended 31 March 1983 R000	Year ended 30 September 1983 R000
Turnover (Note 1)			
Property	15 350	8 772	31 886
Sand treatment plant	19 349	12 353	30 407
Thesen & Company	17 164	14 415	29 617
Total	51 863	35 540	91 910
Profit after amortisation, before interest and taxation			
Property	8 622	4 411	19 993
Sand treatment plant (Note 2)	4 084	1 448	5 499
Thesen & Company	2 422	1 435	4 289
	15 128	7 294	29 781
Interest paid	1 191	2 568	4 468
Profit before taxation	13 937	4 726	25 313
Taxation (Note 3)	4 962	1 761	9 859
Consolidated profit after taxation	8 975	2 965	15 454
Attributable to outside shareholders in subsidiaries	55	49	112
Attributable to members of RMP	8 920	2 916	15 342
Shares in issue	12 403 337	12 403 337	12 403 337
Earnings per share	71.9 cents	23.5 cents	123.7 cents

Notes:

1. **Turnover consists of the following:**
   —The proceeds of township sales limited where applicable to that portion of the sales from which profit has been taken.
   —Rentals.
   —The proceeds derived from the realisation by subsidiaries of disused mining ground.
   —Gold sales from land clean-up operations.
   —Sales of timber and other merchandise.
   —In respect of the sand treatment plant, revenue derived from the sale of gold, silver and pyrite.
2. **Sand Treatment Plant:**
   Operating results

	Six months ended 31 March 1984	Six months ended 30 September 1983	Year ended 30 September 1983
Sand and slime treated (000 tons)	2 389	2 240	4 053
Gold produced (kg)	1 290	1 230	2 056
Yield (grams per ton)	0.54	0.55	0.51
Revenue (rands per ton treated)	8.10	8.06	7.50
Cost (rands per ton treated)	5.47	5.34	5.26
Working profit (rands per ton treated)	2.63	2.72	2.24
Gold price received			
(rands per kilogram)	14 733	14 602	14 733
(U.S. dollars per ounce)	381	416	419
	R000	R000	R000
Revenue	19 349	18 054	30 407
Costs	13 962	11 955	21 319
Working profit	4 387	6 099	9 088
Amortisation	2 196	2 048	3 589
Capital expenditure	827	1 679	3 318

3. **Taxation**
   The increase in the rate of taxation has reduced consolidated profit after taxation and outside shareholders' interest by R396 000, equal to 3.2 cents per share.
   Items excluded from consolidated profit attributable to members:

	Half year ended 31 March 1984 R000	Half year ended 31 March 1983 R000	Year ended 30 September 1983 R000
Deferred taxation rate adjustment — charge in respect of prior years	969	—	—
Profit on sale of land and buildings	—	—	448
Consolidated borrowings			
Interest bearing borrowings			
Long term	2 622	28 231	20 632
Short term	1 385	5 719	2 895
Total	4 007	33 950	23 527

CAPITAL COMMITMENTS

Capital expenditure authorised by the directors at 31 March 1984 amounted to R4.2 million (31 March 1983: R2.6 million) of which R2.0 million was committed (31 March 1983: R0.7 million).

PROSPECTS FOR THE YEAR

It is estimated that the consolidated profit after taxation for the year will be of the order of R17 million, equal to 137 cents per share. This estimate is based on township land sales of approximately R21 million, results from Thesen & Company in line with last year and an average gold price of R15 700 per kilogram for the remainder of the year.

DIVIDEND

It is the policy of the company to declare one dividend each year in October.

For and on behalf of the Board
D. T. WATT, J. R. FORBES, A. B. HALL } Directors

Registered Office:
Off Main Reef Road
Crown Mines, Johannesburg
2092 South Africa
(P O Box 27
Crown Mines, 2025 South Africa)

Transfer Secretaries:
Rand Registrars Limited
Share Transfer Office:
Second Floor, Devonshire House
49 Jorissen Street, Braamfontein
Johannesburg 2001
South Africa
(P O Box 31719
Braamfontein 2017
South Africa)

United Kingdom Registrars and Transfer Agents:
Charter Consolidated P.L.C.
Charter House
Park Street
Ashford
Kent TN24 8EQ

Johannesburg
1 May 1984

OVER-THE-COUNTER

Nasdaq national market, 3pm prices

Continued from Page 48

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

This announcement appears as a matter of record only.

EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM)

250,000,000 Luxembourg Francs

11% 1984 - 1989/91 Bonds

Underwritten and placed by

Kredietbank S.A. Luxembourgeoise — Banque Paribas (Luxembourg) S.A.

March 1984

This announcement appears as a matter of record only

U.S. $20,000,000

Bank of Seoul and Trust Company

London Branch

Licensed Deposit-Taker

Negotiable Floating Rate Certificates of Deposit Due 13th March, 1989

Continental Illinois Capital Markets Group

Fuji International Finance Limited — Bank of Yokohama (Europe) S.A.

Continental Illinois Limited
Agent Bank

March 1984

Brasilvest S.A.

Net asset value as of 2nd May, 1984
per Cr$ Share: 1,061,411
per Depositary Share: U.S.$6,741.18
per Depositary Share: (Second Series) U.S.$6,230.38
per Depositary Share: (Third Series) U.S.$5,287.23
per Depositary Share: (Fourth Series) U.S.$5,052.82

BANCO DI NAPOLI INTERNATIONAL S.A.

U.S.$ 100,000,000
Floating Rate Notes Due 1995

For the six months 4th May, 1984 to 5th November, 1984, the Notes will carry an interest rate of 11¹¹⁄₁₆% per annum with a Coupon Amount of U.S. $600.61 per US $10,000 Note, payable on 5th November, 1984.

Bankers Trust Company, London
Agent Bank

May 4th, 1984

US$75,000,000

Vizcaya International N.V.

Guaranteed Floating Rate Notes Due 1996
(Redeemable at the option of Noteholders in 1992 and 1994)

Unconditionally Guaranteed by

Banco de Vizcaya, S.A.

In accordance with the terms and conditions of the Notes, notice is hereby given that for the initial Interest Period commencing on May 4th, 1984 the Notes will bear interest at the rate of 11¹¹⁄₁₆% per annum. The interest payable on the relevant Interest Payment Date, November 5th, 1984, against Coupon No. 1 will be US$600.61 per US$10,000 Note.

Agent Bank

ORION ROYAL BANK LIMITED
A member of The Royal Bank of Canada Group